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CONTENTS

OGC Has Reviewed

IAC-D-36 Likelihood of the USSR Deliberately
Initiating War During 1952 (25 Sept 1951)

IAC-D-37 Proposed Report on Economic Capabilities
for War of the USSR and Its Satellites
(29 October 1951)

IAC-D-38 Intelligence Aspects of Agreements with
[redacted] (6 November 1951)

IAC-D-38/1 Activities of US Intelligence Agencies in
[redacted] (19 October 1954)

IAC-D-38/2 Activities of US Intelligence Agencies in
[redacted] (1 November 1954; Limited Distribution)

IAC-D-38/3 Problems Relating to Activities of US
Intelligence Activities [redacted] (2 February 1955)

IAC-D-38/4 Intelligence Aspects of the NATO Status of
Forces Negotiations with [redacted] (31 March 1955)

IAC-38/5 Intelligence Aspects of the NATO Status of Forces
Negotiations with [redacted] (19 May 1955)

IAC-D-38/6 Intelligence Aspects of the NATO Status of Forces
Negotiations with [redacted] (25 October 1955)

IAC-D-38/7 Intelligence Aspects of the Status of Forces
Negotiations with [redacted] (5 Nov 1956)

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*ARMY, State Department and OGC
review(s) completed.

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IAC-D-42

Fact Finding Meeting of the Status
and Effectiveness of Trade Controls Against
Communist China (13 Feb 1952)

IAC-D-42/1

Second Revision of the EIC China Trade and
Shipping Study (EIC-R1-S2)
(14 April 1953)

IAC-D-42/2

Communist China's Imports & Exports, 1952:
Controls, Trade and Shipping Involved
(EIC-R1-S2) (8 Jan 1953)

IAC-D-42/3

Communist China's Imports and Exports, 1952:
Controls, Trade and Shipping Involved
(EIC-R1-S2) (22 June 1953)

IAC-D-42/4

Postponement of Revision of EIC-R-1
(9 Sept 1953)

IAC-D-42/5

Third Revision of the IEC China Trade and
Shipping Study (EIC-R1-S3)
(15 April 1954)

IAC-D-42/6

Third Revision of the IEC China Trade and
Shipping Study (EIC-R1-S3)
(17 June 1954)

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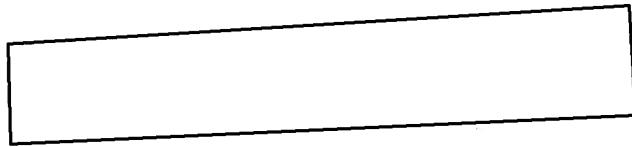
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IAC-D-42/7	Sanitized Version of [redacted] Report on China's Trade and Shipping (EIC-R1-S3a) (6 July 1954)	25X6
IAC-D-42/8	Sanitized Version of [redacted] Report on China's Trade and Shipping (EIC-R1-S3a) (15 July 1954)	25X6 25X6
IAC-D-42/9	[redacted]	
IAC-D-42/10	Fourth Revision of the EIC [redacted] Study of China Trade and Transport (EIC-R1-S4) (18 May 1955) (See separate folder)	25X6
IAC-D-42/11	Fourth Revision of EIC Report on Communist China's Trade and Transport (EIC-R1-S4) (12 July 1955) (See separate folder)	
IAC-D-42/12	EIC-R-1 Series on Communist China's Trade and Transport (20 March 1956)	
IAC-D-42/12.1	EIC-R-1 Series on Communist China's Trade and Transport (29 March 1956)	
IAC-D-42/12.3	Communist China's Imports and Exports, 1955: Trade and Transport Involved (6 Sept 1956) (See separate folder)	
IAC-D-42/13	Communist China's Imports and Exports, 1956: Trade and Transport Involved (EIC-R1-S6) (3 Dec 1957) (See separate folder)	
IAC-D-42/14	EIC Recommendation for EIC-R1 Series: "Communist China's Imports and Exports: Trade and Transport Involved" (22 May 1958)	

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IAC-D-43



IAC-D-44

Proposed Estimates on Soviet Intentions
and War Potential (12 March 1952)

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TOP SECRET

MEMORANDUM FOR: General Smith *Security Information*

You will recall that the IAC, at last week's meeting, deferred action on the attached pending presentation by General Bolling of information regarding the present extent of Order of Battle Material received by the [redacted] [redacted] and the possible effect of the proposed arrangements for interchange of such material.

At today's meeting General Bolling is expected to make the presentation. Since the last IAC meeting there have been no "working-level" discussions of the problem.

[redacted]

MAR 12 1952
(DATE)

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FORM NO. 10-101 JAN 1952

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Next 1 Page(s) In Document Exempt

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TOP SECRET

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Security Information
IAC-D-43
29 February 1952

INTELLIGENCE ADVISORY COMMITTEE

6 Mar 52

6 Mar 52

Received by DS/1

6 Mar 52

The attached paper is submitted for consideration of the
Intelligence Advisory Committee at its next meeting, 6 March.

JAMES Q. REBER
Secretary

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IAC-D-43
29 February 1952

TOP SECRET

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25X1C

Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

Next 4 Page(s) In Document Exempt

Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

SECRET

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IAC-D-42/5
15 April 1954

INTELLIGENCE ADVISORY COMMITTEE

Third Revision of the EIC China Trade and
Shipping Study (EIC-R1-S3)

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1. In IAC-D-42/4 (9 September 1953) the EIC recommended that future [redacted] Supplements to EIC-R1 be prepared on an annual basis. All IAC members concurred.

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2. The EIC has prepared a preliminary draft subject revision, covering the year 1953. This draft (attached to IAC members' copies only) will be used in discussions [redacted] which open [redacted] on 26 April 1954. Following these discussions, an agreed [redacted] paper will be published.

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3. All of the IAC representatives on the EIC have concurred in this report as an adequate basis for the forthcoming [redacted] intelligence discussions. There are a few small sections, clearly marked in the attached report, which can only be drafted after pooling of [redacted] data in the conference.

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4. The attached report is forwarded to you for your information. If you have any suggestions for improvement of this report it is requested that you have your EIC representative communicate these comments to the EIC Secretariat [redacted] [redacted] by 21 April. Final IAC approval of the report will not be requested until the conclusion of the [redacted] intelligence meetings.

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[redacted]
Secretary

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IAC-D-42/5
15 April 1954

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U. S. WORKING DRAFT

COMMUNIST CHINA'S IMPORTS AND EXPORTS, 1953:
TRADE AND SHIPPING INVOLVED AND
EFFECTIVENESS OF CONTROLS

(Draft) EIC-R1-S3

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ECONOMIC INTELLIGENCE COMMITTEE

S-E-C-R-E-T

S-E-C-R-E-T

FOREWORD

(To be prepared during conference)

25X1C

S-E-C-R-E-T

CONTENTS

25X1C

	Page
I. Summary of Major Developments During 1953 and the First Quarter, 1954	(To be prepared during [redacted] conference)
A. Trade	
B. Shipping	
C. Effectiveness of Controls	
II. Trade	
A. Trade with Non-Bloc Countries	
1. Imports	
2. Exports	
B. Trade with the Soviet Bloc	
1. The Level of Trade	
2. Seaborne Trade	
3. Overland Trade	
III. Detailed Analysis of Goods Imported	
A. From Non-Bloc Countries	
1. Volume of Recorded Imports	
2. Volume of Unrecorded Imports	
B. From Bloc Countries	
1. Seaborne	
2. Overland Imports	
C. Capacity of Shipping Arriving in Communist China	
1. Introduction	
2. Non-Bloc Arrivals	
3. Soviet Bloc Arrivals	
D. Comparison of Shipping Capacity and the Volume of Seaborne Cargoes	

Page

E. Comparison of Rail Capability and Overland Imports from the USSR	.....
1. Capability of the Trans-Siberian Railroad and Connecting Transportation Routes into Manchuria and Korea	.....
2. Comparison of Overland Trade and Inland Transportation Capacity	.....
IV. Assistance to the Soviet Bloc by Non-Bloc Shipping Services	.....
A. Involvement of Non-Bloc Vessels	.....
B. Scheduled Voyages of Non-Bloc Ships	.....
C. Charter of Non-Bloc Vessels	.....
D. Non-Bloc Deliveries of Ships to the Bloc	.....
E. Non-Bloc Repairs to Bloc Vessels	.....
F. Volume and Composition of the Soviet Bloc Merchant Fleet	.....
 <u>Annex</u>	
Developments During the First Quarter of 1954	.....
(To be prepared during [redacted] conference)	

25X1C

S-E-C-R-E-TAppendixPage

Detailed Data on Merchant Shipping Involved in Trade
with Communist China

Explanatory Notes

Tab A. Tables in this Tab relate principally to the
analysis of import shipping (concerned with
cargo-carrying capacity in the origin and
destination of voyages) in the main body of
the report.

- A-1. Merchant Ship Arrivals in Communist China, by
Months, 1953
- A-2. Non-Bloc Merchant Shipping Arriving in Communist
Chinese Ports, by Months, 1953
- A-3. Non-Bloc Registered Merchant Shipping Arriving
in Communist Chinese Ports, by Country of
Registry and Nationality of Beneficial Owners,
1953
- A-4. Origin of Voyages of Non-Bloc Registered
Merchant Shipping Arriving in Communist Chinese
Ports, 1953
- A-5. Destination of Voyages of Non-Bloc Registered
Merchant Shipping Arriving in Communist Chinese
Ports, 1953
- A-6. Summary of Shipping (other than Ocean-Going
Over 1,000 GRT) Clearing Hong Kong for Communist
China and Macao, 1953 (To be provided
[Redacted])
- A-7. Soviet Bloc Shipping Arrivals in Communist
Chinese Ports, by Months, 1953
- A-8. Origin of Voyages of Soviet Bloc Registered
Merchant Shipping Arriving in Communist Chinese
Ports, 1953
- A-9. Destination of Voyages of Soviet Bloc Registered
Merchant Shipping Arriving in Communist Chinese
Ports, 1953

25X1C

S-E-C-R-E-T

S-E-C-R-E-TPage

Tab B. Tables in this Tab relate to the analysis of export shipping in section II A 2, II B 2, and III A in the main body of the report.

- B-1. Merchant Ship Departures from Communist China, by Months, 1953
- B-2. Non-Bloc Registered Merchant Shipping Departing from Communist Chinese Ports, by Months, 1953
- B-3. Non-Bloc Registered Merchant Shipping Departing from Communist Chinese Ports by Country of Registry and Nationality of Beneficial Owners, 1953
- B-4. Origin of Voyages of Non-Bloc Registered Merchant Shipping Departing from Communist Chinese Ports, 1953
- B-5. Destinations of Voyages of Non-Bloc Registered Merchant Shipping Departing from Communist Chinese Ports, 1953
- B-6. Soviet Bloc Shipping Departing from Chinese Communist Ports, by Months, 1953
- B-7. Origin of Voyages of Soviet Bloc Registered Merchant Ships Departing from Communist Chinese Ports, 1953
- B-8. Destinations of Voyages of Soviet Bloc Registered Merchant Ships Departing from Communist Chinese Ports, 1953

Tab C. Tables in this Tab present details of the shipping involved in Communist China's trade and related principally to section IV in the main body of the report.

- Explanation of the Term Involvement
- C-1. Non-Bloc Registered Merchant Shipping Involved in Communist Chinese Seaborne Trade, 1953

- v -

S-E-C-R-E-T

S-E-C-R-F-T

Tables

25X1C

S-E-C-R-E-T

Page

6. Sino-Soviet Overland Trade, 1953

7. Communist China's Exports

8. Shipping - Summary of Arrival in Communist China 25X1C

8A. Chinese Communist Seaborne Imports (Volume) (To be pre

8B. Chinese Communist Seaborne Imports from Non-Bloc Countries other than Hong Kong and Macao

8C. Chinese Communist Imports from Non-Soviet Bloc Countries (Volume), 1953

9. Railways (Trans-Siberian and Manchurian and Chinese Connecting Lines) - Traffic Capability

10. Shipping - Summary of Involvement in Chinese Communist Trade

11. Shipping - Non-Bloc Merchant Vessels Engaged in Scheduled Voyages, Europe-China, by Owner and by Registry

12. Shipping - Non-Bloc Vessels on Charter to the Soviet Bloc

12A. Non-Bloc Registered Merchant Ships under Charter to the Soviet Bloc, 1953, By Beneficial Owners

13. Ships and Services - Acquisition by the Soviet Bloc from Non-Bloc Countries

14. Shipping - Summary of Soviet Bloc Merchant Fleet

S-E-C-R-E-T

Illustrations

Following Page 25X1C

To be prepared by CIA

Graph I. Estimated Chinese Communist Imports from Non-Bloc Countries

Graph II. Soviet Bloc and Non-Bloc Registered Shipping Arriving in Communist Chinese Ports

Graph III. Soviet Bloc and Non-Bloc Registered Shipping Involved in Communist Chinese Seaborne Trade

Trans-Siberian Railroad and Connecting Lines (Map) .

I. Summary of Major Developments During 1953 and the First Quarter, 1954

- A. Trade
- B. Shipping
- C. Effectiveness of Controls

(To be prepared during conference)

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~~S-E-C-R-E-T~~

II. Trade.

A. Trade with Non-Soviet Bloc Countries.

1. Imports.

a. Recorded Imports.

The value of Communist China's recorded Imports from non-Communist countries in 1953 was \$280 million (See Table 2),* as compared with \$250 million in 1952. In the first half of 1953 these imports continued the trend of expansion evidenced in 1952, reaching a level 23 per cent above that of the last half of 1952 and 47 per cent above that of the first half of 1952. These imports, however, declined sharply in the last half of 1953, to 70 per cent of the level of the first half of the year.

The volume of recorded imports from non-Communist countries in 1953 is estimated at 717,000 tons, as compared with 497,000 tons in 1952.

During 1953 Communist China's direct imports recorded from the Western Hemisphere, as in 1952, continued to be negligible. Direct imports recorded from Western Europe, however, increased sharply, accounting for 35 per cent of the value of recorded imports from non-Communist countries in 1953 as compared with 10 per cent in 1952. The proportion of imports from Ceylon also increased from 10 to 20 per cent of the total in 1953 over 1952, while the position of imports from Hong Kong remained unchanged at slightly over 30 per cent, and imports from Pakistan declined from nearly 40 per cent to 2 per cent of the total. Recorded imports from other countries in the Near East, Asia, and Oceania increased in 1953 over 1952 but remained a small proportion of total imports.

Imports from Western Europe and Hong Kong fell from \$130 million in the first half of 1953 to \$70 million in the second half, accounting for the total decline in imports between the two periods. Imports from the other areas remained constant or increased slightly over the year.

The most dramatic development in the commodity composition of Communist China's imports from non-Communist countries in 1953 was the sharp drop in raw cotton imports from 43 per cent of the total in 1952 to less than 5 per cent in 1953. There were sharp

* See Table 2 on p.

~~S-E-C-R-E-T~~

S-E-C-R-E-T

increases of imports in other major categories, such as rubber, iron and steel, machinery and metalware, chemicals, drugs, and paper. Rubber imports at 65,000 tons increased to 20 per cent of the value of total imports, as compared with 9 per cent in 1952. Imports of iron and steel increased to 110,000 tons and machinery and metalware to roughly 20,000 tons in 1953, as compared with negligible imports in these categories in 1952.

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b. Unrecorded Imports.

(1) Re-exports of Western Imports by Soviet Bloc Countries.

(The following text is taken from EIC-R1-S2 since we have no new information to add.)

The USSR and the Eastern European Satellites act as middlemen in obtaining an undetermined quantity of imports for Communist China from non-Communist countries. This practice reflects the fact that Western trade controls permit the shipment of some goods to European Communist destinations whose export to China is prohibited. Not even a rough estimate of the total value of re-exports can be presented.

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* See Table 2 on p.

S-E-C-R-E-T

S-E-C-R-E-T

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Table 1

Estimated Imports of Communist China

(To be prepared during conference after
discussions of unrecorded imports)

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Table 4

Chinese Communist Imports from Non-Soviet Bloc Countries (Value)
1953

<u>Recorded Imports</u>	Thousands of US dollars		
	Jan-Jun	Jul-Dec	Total
<u>Europe and Western Hemisphere^a</u>			
Brazil	2	470	472
BLEU	1,266	37	1,303
Denmark	99	232	331
Finland	4,754	3,282	8,036
France	8,839	4,813	13,652
West Germany	11,159	10,813	21,972
Italy	4,571	946	5,517
The Netherlands	2,256	1,019	3,275
Norway	2,469	24	2,493
Sweden	2,596	376	2,972
United Kingdom	13,492	7,562	21,054
Canada	none	none	none
United States	none	none	none
Adjustment for c.i.f. Switzerland (c.i.f.) ^b	5,150 6,791	2,957 5,117	8,107 11,908
Subtotal (14 countries)	<u>63,444</u>	<u>37,648</u>	<u>101,092</u>
<u>Near East, Asia and Oceania^a</u>			
Australia	1,143	3,831	4,974
Ceylon	26,797	26,384	53,181
Egypt	4,182	7,347	11,529
India	1,668	1,000*	2,668*
Malaya	40	1,674	1,714
Pakistan	23	3,540*	3,563*
Indonesia	2	2*	4*
Hong Kong	61,585	29,825	91,410
Japan	2,266	2,277	4,543
Adjustment for c.i.f. (5 percent)	4,885	3,794*	8,679*
Subtotal (9 countries)	<u>102,591</u>	<u>79,674*</u>	<u>182,265*</u>
Total Recorded Imports (as derived from published statistics of 23 non-Communist countries)	<u>166,035</u>	<u>117,322*</u>	<u>283,357*</u>

* Estimates based on incomplete data, subject to revision.



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Table ~~1~~ 2

Chinese Communist Imports from Non-Soviet Bloc Countries (Value)
1953
(Continued)

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(2) Transshipments of Western Commodities through Soviet Bloc Countries.

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(3) Macao.

There are no published trade data available regarding Macao's exports to China in 1953. As in EIC-R1-S2, Communist China's imports from Macao must be estimated on the basis of assumed re-exports of Macao's (1) direct imports from abroad, and (2) imports from Hong Kong. This figure excludes those commodities smuggled through Macao to Communist China from Hong Kong, Okinawa, and Japan, which are treated in the next section as smuggled imports from the originating areas.

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Direct imports to Macao from abroad by ocean-going vessels of goods for re-export to Communist China apparently increased in 1953 over 1952. There were an increased number of arrivals of Portuguese vessels sailing from Europe, and, while the manifest data is not complete, it appears that larger cargoes of strategic materials were carried. [redacted] three ship arrivals during June-September 1953, each carried shipments of such cargo over 10,000 tons.

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Kong Kong's recorded exports to Macao in 1953 were slightly greater in value than in 1952. Exports of metals, machinery, and metal manufactures declined from \$2 million to \$1 million, while exports of pharmaceuticals increased from \$1 $\frac{1}{2}$ to \$2 $\frac{1}{2}$ million. These developments in the legal movement from Hong Kong to Macao of the principal commodities in demand in Communist China would suggest that the value of Macao's re-exports to Communist China of imports from Hong Kong in 1953 was probably close to the 1952 level, although the volume or tonnage of such re-exports was somewhat lower.

(4) Statistical Gaps and Smuggling.

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S-E-C-R-E-T

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Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3
S-E-C-R-E-T

Table 3A

Chinese Communist and Macao Imports from Hong Kong (Volume)

(To be prepared during conference)

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S-E-C-R-E-T

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Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

Next 1 Page(s) In Document Exempt

Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

S-E-C-R-E-T

(a) Smuggling from Hong Kong.

(The following represents essentially the US position on Hong Kong smuggling by junks, small craft, etc. It is hoped to reach agreement [redacted] on an over-all estimate of such unrecorded trade within the range of 10,000 to 20,000 tons. In addition [redacted]

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25X1 [redacted] large-scale smuggling from Hong Kong had ceased because of an increased surveillance by police and naval patrols, but that a certain amount of smuggling continued, carried by speed-boats and high-powered junks or concealed in personal baggage and manifested cargo. The latter method is possible on a modest scale because of wide-spread corruption among local revenue officers. [redacted]

the current level of such smuggling of strategic materials is 700 to 800 tons a month, (8,400 to 9,600 tons a year) plus a small additional amount to Lap Sap Mei island. This estimate compares with the US estimate of 10,000 to 30,000 tons in 1952.

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In addition to strategic materials, some 350 to 450 tons monthly of "luxury goods" (some 4,200 to 5,400 tons a year) are estimated to be smuggled through Chinese Communist customs; since these goods are either prohibited from import or are assessed very high import duties. [redacted] this traffic in luxury goods may be carried by the small vessels plying between Hong Kong and Communist China.

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(b) Rice imports from Thailand.

(This category probably should be dropped. Hong Kong's recorded imports from Thailand approximately equals Thailand's recorded exports to Hong Kong plus those exports reported to be "in transit" through Hong Kong. Question of cargo carried by ships still open.)

S-E-C-R-E-T

(c) All other.

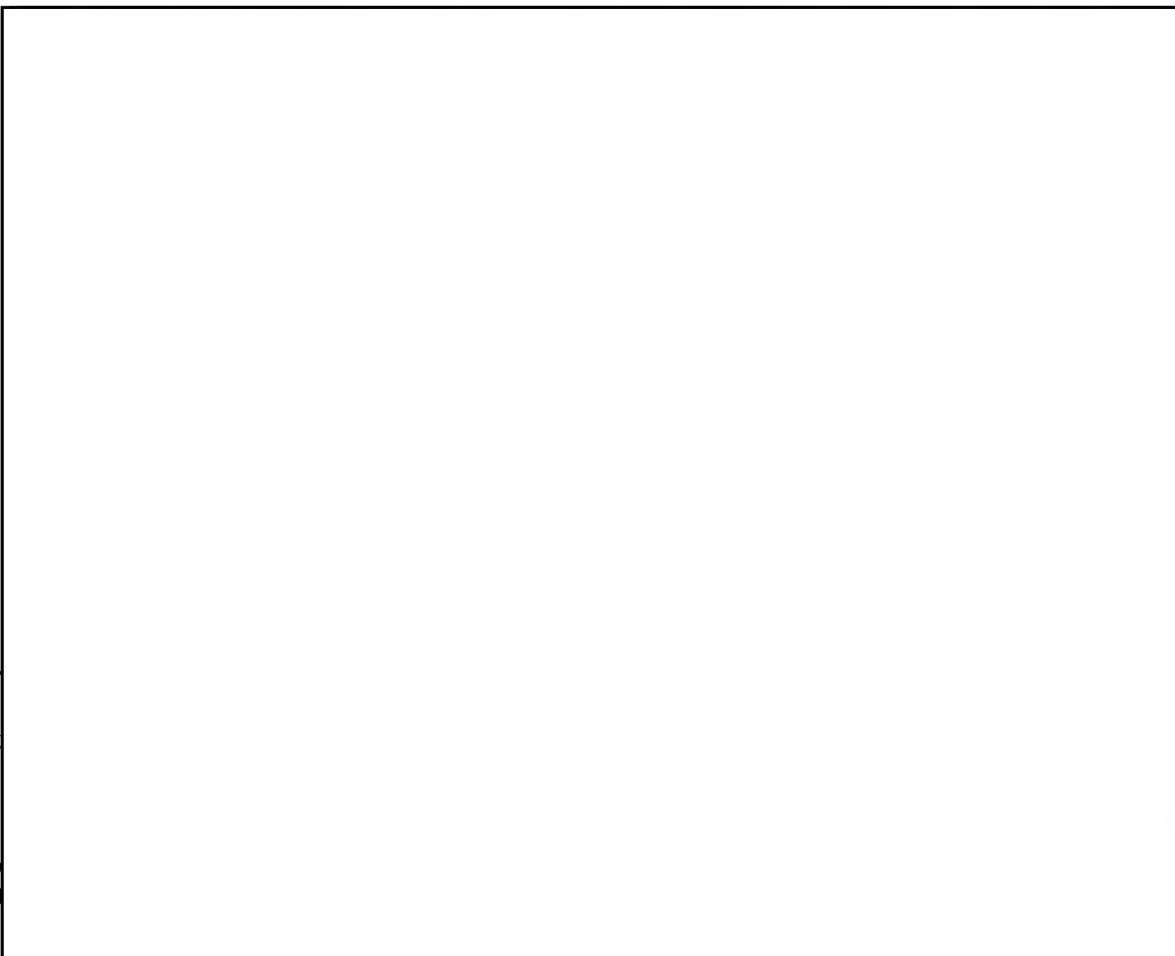
Finally, account must be taken of the effect of deficiencies in the statistics of non-Communist countries trading with China and of the fact that unrecorded imports reach China by sea routes from Japan, the Ryukyu Island, Malaya, the Philippines, Indochina, Formosa, and Indonesia. The extent of this traffic cannot be estimated with any degree of accuracy.

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[redacted] the smuggling of car parts has been on quite a large scale with one ring alone discovered to have shipped car parts to the value of \$700,000 and a volume of possibly 300 tons under false declarations to Hong Kong for shipment to China. Also, smuggling agents are known to be among the crews of the ships in the traffic between Singapore and Chinese Communist ports via Hong Kong, and it is probable that on each of the voyages small lots of strategic materials have been concealed on board by these agents and smuggled into Communist China.

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S-E-C-R-E-T

2. Exports.

Communist China's exports to non-Communist countries in 1953 are estimated at \$311 million (See Table 4).* Exports to Europe and the Western Hemisphere accounted for over one-third of the value of these exports, and the Near East, Asia, and Oceania for the balance.

The 1953 estimate compares with a 1952 estimate of \$265 million, representing a corrected and revised estimate of the \$270 million appearing in EIC-R1-S2 (revised on the basis of later data and the estimate that c.i.f. charges would be more accurately reflected by the formula assessing 15 per cent of the total value of these exports for Europe and the Western Hemisphere and 10 per cent for the Near East, Asia, and Oceania).

Exports to Ceylon consisted mainly of rice under an intergovernmental trade agreement, while exports to Malaya consisted of foodstuffs and a variety of products for the resident Chinese population. Retained imports in Macao and Hong Kong from Communist China also consisted largely of foodstuffs and native products.

* See Table 4 on p.

S-E-C-R-E-T

Table 4

Chinese Communist Exports to Non-Soviet Bloc Countries (Value)
1953

Countries	Thousands of US Dollars			
	Jan-Jun	Jul-Sep	Oct-Dec	Total
<u>Europe and Western Hemisphere a/</u>				
Canada	992	50	50*	1,092*
United States	487	63	50*	600*
Belgium-Luxembourg	4,935	1,200*	1,200*	7,335*
Denmark	1,682	9	10*	1,701*
Finland	1,040	263	250*	1,553*
France	5,923	2,539	3,000*	11,462*
West Germany	15,555	9,666	10,000*	35,221*
Italy	4,003	2,161	2,000*	8,164*
The Netherlands	11,437	1,032	1,000*	13,469*
Norway	1,031	1,577	1,600*	4,208*
Sweden	512	300*	300*	1,112*
Switzerland	9,153	4,109	3,600*	16,862*
United Kingdom	11,520	8,034	1,200*	20,754*
Less c.i.f. charges excluding Canada and US (15 percent)	-10,019	-4,639*	-3,624*	-18,282*
Subtotal (15 countries)	58,251	26,364*	20,636*	105,251*
<u>Near East, Asia, and Oceania^a</u>				
Australia	2,182	1,028	1,000*	4,210*
Ceylon	20,469	13,187	9,300*	42,956*
Egypt	239	245	250*	734*
India	1,476	300*	300*	2,076*
Indochina	4,000*	2,000*	2,000*	8,000*
Indonesia	910	818	800*	2,528*
Japan	12,584	8,627	8,488	29,699*
Malaya	18,958	6,993	6,500*	32,451*
French Morocco	4,594	1,718	1,700*	8,012*
Pakistan	1,437	596	600*	2,633*
The Philippines	1,299	108	100*	1,507*
Taiwan	2,936	1,316	1,500*	5,752*
Less c.i.f. charges excluding the Philippines (5 percent)	-3,489*	-1,841*	-1,622*	-6,952*
Subtotal (11 countries)	67,595*	35,095*	30,916*	133,606*
Hong Kong ^b	41,025	14,792	16,683	72,500
Total	166,871*	76,251*	68,235*	311,357*

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Table 34

Chinese Communist Exports to Non-Soviet Bloc Countries (Value)
1953
(Continued)

* Estimates based on incomplete data, subject to revision.

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4/07/09 : CIA-RDP85S00362R000300130001-3

S-E-C-R-E-T

II. Trade

B. Trade with the Soviet Bloc

1. The Level of Trade

Data and intelligence on Sino-Soviet trade in 1953 are extremely fragmentary, consisting largely of Chinese Communist published statements as to percentage changes in 1953 trade over the 1952 level. Furthermore, new intelligence since last year suggests that estimates of 1952 trade which appeared in EIC-R1-S2 should be revised to show a balance, possibly at somewhat lower levels than were there indicated. Accordingly, in view both of the limited data and of the uncertainties as to trade in 1952 (used as a reference year) estimates of trade must, for the time being, remain extremely tentative for both 1952 and 1953.

Early in 1953 the Chinese Communists announced that they planned to increase their total trade by 32 per cent in 1953 over the 1952 level and to increase their trade with the Soviet Bloc by 37 per cent. By implication these figures would indicate that the trade plan called for an increase of 19 per cent in trade with non-Communist countries and for an increase in the proportion of trade with the Soviet Bloc from 72 per cent in 1952 to nearly 75 per cent in 1953.

In contrast to these relatively full statements regarding their trade plan, Chinese Communist comment regarding actual trade in 1953 has been sparse and in general appears to indicate that the trade plan, particularly with respect to imports, was not fulfilled. For example, a recent Chinese Communist published statement dealing with actual trade in 1953 describes the proportion of trade with the Soviet Bloc as increasing from 61 per cent in 1951 to "over 70 per cent in 1953." This vague terminology, and particularly the deliberate omission of the 1952 figure, indicates that the Soviet Bloc percentage in 1953 did not reach 75 per cent of total trade, which apparently was the Communist goal, and suggests that it did not exceed the 72 per cent previously announced for 1952. Reasoning further from this statement, if the proportion of Communist Chinese trade represented by the Soviet Bloc can be assumed to have remained constant in 1953, then trade with the Soviet Bloc as well as total trade could not have increased more in percentage terms than did trade with non-Communist countries. The latter figure - trade recorded with non-Communist countries - appears to have increased by only 15 per cent, or less than half the rate contemplated in the 1953 trade plan.

Total trade with non-Communist countries, according to our estimates above, increased by 15 per cent or close to the rate of 19 per cent apparently envisaged in the Chinese Communist trade plan. Since the Chinese Communists have publicly stated that their exports to non-Communist countries failed to meet their target, it may be presumed that imports from non-Communist countries in 1953 must have been at or close to the planned levels.

S-E-C-R-E-T

S-E-C-R-E-T

In contrast, trade with the Soviet Bloc, planned to increase by 37 per cent, apparently fell short of the target by a fairly large margin. Since, according to Chinese Communist claims, total exports in 1953 attained 98 per cent of the planned level (and exports to the various Soviet Bloc countries were at or above planned levels), it seems clear that the over-all failure to meet 1953 trade expansion targets was primarily a failure to secure the planned imports. In view of the reasoning given above for believing that imports from non-Communist countries approximated target levels, the over-all short-fall in planned imports must have been specifically a failure to secure planned shipments from the Soviet Bloc.

As concerns the trade balance, Chinese Communist statements give no indication covering either the 1953 trade plan or the actual trade which developed in 1953. The EIC-R1-S2 estimate of 1952 trade assumed an import balance of \$150 million, or the estimated maximum amount that Communist China could have financed through its recurring sources of non-trade revenue (the \$60 million installment from the Soviet credit plus earnings from remittances). This assumption has since been contradicted by a later Chinese Communist statement that trade was balanced in 1953. This development may suggest that the Soviet Bloc failed to meet planned deliveries in 1952 and that the short-fall was carried over into the 1953 trade plan. This short-fall, together with continuing net receipts from non-trade items, would have enabled the Chinese Communists to finance a substantial import surplus in 1953, and in view of Communist China's pressing import requirements it is probable that the 1953 trade plan provided for such an import surplus.

Consideration of the probable limitations of Communist China's export capabilities also supports a presumption that the 1953 trade plan probably envisaged much larger increases in Communist China's imports than in its exports and hence a substantial import surplus. Communist China's exports in 1952 were already at a high level, and the economy was operating under considerable strains - which would suggest that the Chinese Communists would probably not have planned an increase in total exports comparable to the very substantial (32 per cent) expansion planned for total trade.

There is no reliable basis, however, for estimating how large an import surplus may have been planned. For present purposes it is assumed that the planned import surplus for 1953 amounted to \$300 million, or an amount equal to the presumed short-fall of \$150 million in 1952 imports plus an equal amount taken to represent continuing net receipts from non-trade items in 1953. It is clear that this estimate is to a large degree arbitrary but it probably would represent the maximum import balance that Communist China could have financed without

S-E-C-R-E-T

additional credits; and available intelligence appears to indicate that no substantial new credits were extended by the USSR in 1953.

On the basis of this reasoning a tentative estimate of the trade in 1953 is presented below. To summarize the above discussion, this picture of trade rests on the following assumptions and underlying estimates:

1. It is assumed that the 1953 trade plan provided for an import surplus of \$300 million.
2. It is further assumed that actual trade with the Communist Bloc in 1953 represented 72 per cent of Communist China's total trade, or the same proportion as was announced for 1952.
3. Trade with non-Communist countries in 1953 is estimated to have been 15 per cent above the 1952 level, with estimated imports taken to equal planned imports.

20

(in millions of US dollars) a/

	Imports	Exports	Total	Percent of Total Trade
<u>Total Trade</u>				
1952 Revised b/	1050	1050	2100	100%
1953 Plan c/	1535	1235	2770	100%
1953 Actual	1205	1210 d/	2415 e/	100%

Trade with Non-Communist Countries

1952 Revised b/	320	265	585	28%
1953 Plan	350 f/	350	700	25%
1953 Actual	350	320	670 g/	28%

Trade with Bloc

1952 Revised b/	730	785	1515	72%
1953 Plan	1185	885	2070	75%
1953 Actual	855	890	1745 g/	72%

- a. All figures rounded to nearest \$5 million.
- b. In contrast to EIC-R1-S2, total trade in 1952 assumed to be balanced and exports to non-Communist countries reduced by \$5 million on basis of later data.
- c. Total planned trade 32 per cent above 1952 - import surplus \$300 million.
- d. Total exports at 98 per cent of plan.
- e. 15 per cent above 1952 level.
- f. Planned imports estimated to be equal to actual imports.

S-E-C-R-E-T

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The above estimates must be viewed as highly approximate and probably tend to be too high. Apart from the uncertainties inherent in the underlying assumptions, the above figures will have to be adjusted to take account of the following factors:

1. The EIC-R1-S2 estimate of trade in 1952, which was used as a base for estimating the trade in 1953, probably will have to be modified to avoid certain duplications.

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2. The estimate of trade with non-Communist countries in 1953 will probably have to be revised to take account of the more complete data that will be available at the conference.

If these adjustments turn out to be necessary, they would result in a fairly sizeable downward revision in the estimate of total trade and of trade with the Hloc.

S-E-C-R-E-T

22

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S-E-C-R-E-T**II. Trade****B. Trade with the Soviet Bloc****2. Seaborne Trade****a. Imports**

A total of 790,000 tons of cargo is estimated to have reached China in 1953 from Soviet Bloc ports in Europe and in the Far East. Of this total some 670,000 tons arrived from Communist ports in Eastern Europe and approximately 120,000 tons arrived from the Soviet Far East (see also section III B 1, p. ____).

The figures for 1953 represent an increase of almost 300,000 tons, or approximately 50 per cent, over the volume estimated to have moved in 1952. This change is accounted for by the rise in shipments from Bloc ports in Eastern Europe and, in terms of commodities, by the increase in shipments of iron and steel, most of which are believed to have originated in Western Europe.

The description of the cargoes is not in sufficient detail to provide an accurate estimate of the value of Chinese Communist imports from European Bloc ports. A rough estimate of the value of these shipments may, however, be calculated as follows:

	<u>000 tons</u>	<u>Estimated Value/Ton (US dollars)</u>	<u>Total Value (Million US dollars)</u>
Iron and steel	400	\$150	\$60
Machinery, vehicles	100	500	50
Sugar, ammonium sulphate & paper	95	100	10
Petroleum	17	50	1
All other	58	250	<u>14</u>
Total	670	\$200	\$135

S-E-C-R-E-T

There is little cargo information on the voyages from the Soviet Far East. However, the gross tonnage of shipping arrivals was nearly identical with that of 1952, and included 5 arrivals of 29,000 GRT of non-Communist shipping and 41 arrivals of 252,000 GRT of Communist shipping. The movements of these ships suggest that, as in 1952, many arrived in ballast at Communist Chinese ports either for ship repairs at Dairen or to pick up export cargoes for Europe. Over one-half of the total gross tonnage of Communist shipping arrived in the months of November and December, suggesting the movement of Soviet Far East merchant vessels to Dairen for re-fitting during the period when Soviet Far East ports are frozen over. The cargo is therefore estimated at the 1952 level or roughly at 120,000 tons, consisting principally of petroleum and paper.

b. Exports

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[redacted] the composition of the cargo carried from China to Bloc ports in Eastern Europe is estimated as follows:

24

S-E-C-R-E-TEXPORTS

<u>In Non-Communist Vessels</u>	<u>Jan-June</u>	<u>July-Dec</u>	<u>Total 1953</u>
Voyages	18	19	37
GRT (000 tons)	121	118	238
Total cargo (000 tons)	153	149	302
Iron ore	29	129	158
Pig iron	5	-	5
Soybeans and cake	16	-	16
Peanuts and cake	30	2	32
Maize and millet	19	-	19
Rice	-	5	5
Hempseed	4	-	4
Unidentified	50	13	63
<u>In Communist Vessels</u>			
Voyages	26	41	67
GRT (000 tons)	161	251	412
Total cargo (000 tons)	191	279	470
Iron ore	47	148	195
Pig iron	-	5	5
Apatite ore	-	7	7
Soybeans and cake	46	25	71
Peanuts and cake	7	4	11
Maize and millet	14	9	23
Sesame seed	1	-	1
Jute	2	-	2
Unidentified	74	81	155
<u>Total Cargo, all Vessels</u>	<u>344</u>	<u>428</u>	<u>772</u>
Iron ore	76	277	353
Pig iron	5	5	10
Apatite ore	-	7	7
Soybeans and cake	62	25	87
Peanuts and cake	37	6	43
Maize and millet	33	9	42
Rice	-	5	5
Sesame seed	1	-	1
Hempseed	4	-	4
Jute	2	-	2
Unidentified	124	94	218

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S-E-C-R-E-T

S-E-C-R-E-T

A rough estimate of the value of shipments from China to Eastern Europe may be obtained as follows:

	<u>000 tons</u>	<u>Estimated Value/Ton</u> (US dollars)	<u>Total Value*</u> (Million US dollars)
Iron ore**	353	88	\$3
Pig iron	10	50	1
Soybeans	87	80	7
Peanuts	43	220	10
Maize and millet	42	75	3
Unidentified***	237	150	36
Total	772	76	60

* All figures rounded to nearest million dollars.

** Includes cargoes of vessels leaving Yulin, even where unidentified.

*** Consisting of cargoes listed as "unidentified" or "general," and probably includes items listed above as well as such high-value low-bulk commodities as tea and silk.

The volume of exports from China to Far Eastern Bloc ports is not known. The GRT of Soviet Bloc shipping in this traffic, however, shows an increase of about 10 per cent over 1952, from 204,000 GRT to 221,000 GRT. For present purposes, the volume of exports to Far Eastern Bloc ports is tentatively estimated at 100,000 tons, or the level estimated for 1952. Again, as in 1952, the nature of the cargo is not known, except for deck cargoes of lighters and launches.

26

S-E-C-R-E-T

~~S-E-C-R-E-T~~II. TradeB. Trade with the Soviet Bloc3. Overland Tradea. Imports

The volume of China's overland imports from the USSR during 1953 is tentatively estimated at between 1,500,000 and 2,000,000 tons, which would include some 800,000-1,000,000 tons of petroleum, 150,000-200,000 tons of military equipment, and 500,000-800,000 tons of other materials, chiefly iron and steel, machinery, and metal manufactures.

Estimates of Communist China's consumption and production of petroleum products suggest that total imports of petroleum products were approximately 1 million tons, of which seaborne shipments are known to have been about 100,000 tons. Most of overland petroleum imports are believed to have been shipped by rail via Manchouli; [redacted]

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[redacted] Petroleum products are also believed to have been shipped by rail via Suifenho and by barge on the Sungari, but the quantities cannot be estimated.

Estimates of military end-item and ammunition imports must of course be highly speculative. According to a military intelligence estimate, Communist requirements for these imports totalled 375,000 tons in 1952. This figure was based on estimated requirements for supporting the Communist military forces in Korea as well as for re-equipping some units in China proper. The cessation of fighting in Korea presumably would have greatly reduced import requirements in that area; on the other hand it is possible that military imports for modernizing the Chinese Communist army were expanded when the fighting stopped in Korea. On an over-all basis it is very roughly estimated that military imports amounted to 150,000 to 200,000 tons in 1953, or about half the estimated level of requirements in 1952.

Of the remaining overland imports, iron and steel is believed to constitute an important tonnage. [redacted]

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[redacted] Soviet iron and steel is being received and utilized in such fields as: (1) the Dairen Dockyards, (2) construction in Harbin, (3) construction and repair of mainline railways. Despite the increased output of iron and steel in Communist China, requirements for special shapes and high quality materials are believed to have necessitated large imports. Seaborne imports from European Soviet Bloc ports (400,000 tons) probably constituted the largest source of such imports. These seaborne imports originated largely in Western Europe.

27

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and probably consisted for the most part of standard shapes and qualities. Overland shipments from the USSR, on the other hand, were probably composed of materials to meet Communist China's requirements for special items, as well as for materials for particular projects presumably agreed upon during the Sino-Soviet negotiations. Such overland imports from the USSR are tentatively estimated to have been approximately 200,000 to 300,000 tons in 1953.

In addition to iron and steel, shipments of heavy machinery and equipment were made to some 50 plants under construction or rehabilitation pursuant to the Sino-Soviet economic aid agreements, which included two blast furnaces, several rolling mills, steam and hydro plants totalling some 300,000 kw., and a number of mines and of machinery and chemical plants. The 1953 trade agreement provided for Soviet shipments, in addition to the above items, of supplies for industry and transport and agricultural machinery. Industrial supplies would include important tonnages of such semi-manufactures as non-ferrous metals and chemicals, while automotive vehicles have been imported in large numbers

25X1 [redacted] These imports are believed to have accounted for the remaining tonnage of estimated overland shipments.

b. Exports

The volume of Chinese overland exports to the USSR during 1953 is tentatively estimated at between $2\frac{1}{2}$ and $3\frac{1}{2}$ million tons, which would include some $1\frac{1}{2}$ to 2 million tons of agricultural products, with the balance composed of industrial raw materials.

25X1 Of the agricultural products, soy beans would constitute the bulk of the shipments. In addition, Chinese Communist press statements, [redacted] indicate that large quantities of pork, tea, peanuts, soy bean and peanut oils, wool and silk are sent to the USSR. It may also be noted that these products, as well as tobacco, fruit, jute and hides, are included in the 1953 protocol of the Sino-Soviet trade agreement.

25X1 [redacted] Coal exports are even more tentative.

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25X1C [redacted] In addition, [redacted] considerable shipments were made to the USSR from other coal mines in Manchuria. For present purposes coal exports to the USSR via overland routes are roughly assessed at 500,000 tons, but it is recognized that the volume of such shipments may have been very much higher. [redacted] cement is another major export commodity in terms of tonnage. It is believed that most of the output (180,000 tons per year) of the former Soviet-operated cement plant at Dairen is being shipped to the USSR, and it is conceivable that additional shipments are made from cement plants in northern Manchuria.

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Table 25

Chinese Communist Exports to Non-Soviet Bloc Countries (Volume)
1953

<u>Countries</u>	<u>Jan-Jun</u>	<u>Jul-Dec</u>	<u>Total</u>
<u>Europe and Western Hemisphere</u>			
Canada ^{a/}	3,968	400*	4,368*
United States ^{b/}	100	25*	125*
Belgium-Luxembourg ^{c/}	22,000	11,000*	33,000*
Denmark ^{a/}	6,728	76*	6,804*
Finland ^{a/}	4,160	2,052*	6,212*
France ^{c/}	23,872	23,650*	47,522*
Western Germany ^{c/}	72,865	45,237*	118,102*
Italy ^{c/}	14,000	7,500*	21,500*
Netherlands ^{c/}	70,000	6,000*	76,000*
Norway ^{a/}	4,132	12,707*	16,839*
Sweden ^{a/}	2,048	2,400*	4,448*
Switzerland ^{a/}	36,612	7,709*	44,321*
United Kingdom ^{c/}	24,000	20,000*	44,000*
Subtotal (13 countries)	<u>284,485</u>	<u>138,756*</u>	<u>423,241*</u>
<u>Near East, Asia and Oceania</u>			
Australia ^{a/}	8,728	8,112*	16,840*
Ceylon ^{c/}	172,000	86,000*	258,000*
Egypt ^{a/}	956	1,980*	2,936*
Hong Kong ^{d/}	263,000	217,000	480,000
India ^{a/}	5,904	2,400*	8,304*
Japan ^{c/}	135,000	183,600	318,600
Malaya ^{a/}	75,832	53,972*	129,804*
Pakistan ^{a/}	5,748	4,784*	10,532*
Philippines ^{a/}	5,196	832*	6,028*
French Morocco ^{e/}	3,534	2,630*	6,164*
Indonesia ^{a/}	3,640	6,400*	10,040*
Indochina ^{a/}	16,000*	16,000*	32,000*
Taiwan ^{a/}	11,744	11,264*	23,008*
Subtotal (13 countries)	<u>707,282</u>	<u>594,974*</u>	<u>1,302,256*</u>
Total	<u>991,767</u>	<u>733,730*</u>	<u>1,725,497*</u>



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Table 45

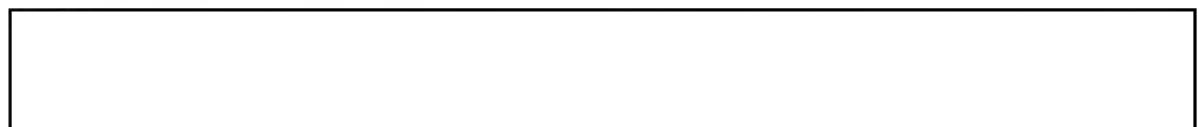
Chinese Communist Exports to Non-Soviet Bloc Countries (Volume)
1953
(Continued)

* Estimates based on incomplete data, subject to revision.



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	<u>Jan-Jun</u>	<u>Jul-Dec</u>	<u>Total</u>
Total imports	395,000	325,000	720,000
Estimated re-exports (1/3)	96,500	140,000	236,500
Consumed in Hong Kong	193,000	280,000	473,000



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China is a major world producer of tungsten and antimony and an important source of tin and magnesite. Most of the products of such ores and concentrates are now exported to the USSR. In addition, the iron and steel industry in Manchuria probably had an export surplus of several hundred thousand tons of pig iron. Since only small quantities of pig iron have been identified as moving by sea to the Eastern European Satellites, it may be presumed that large quantities are shipped overland to meet steel mill requirements in the Soviet Far East. Finally, part of the output of the former Soviet-operated chemical plant in Dairen is reported to be exported to the USSR, but the specific quantity cannot be determined.

c. Sino-European-Satellite Overland Trade - 1953

Communist China's overland imports from the European Satellites are roughly estimated at 25,000 to 50,000 tons. Conclusions are based on the assumption that the great bulk of European Satellite trade with Communist China moves by sea; with perhaps 5 to 10 per cent of the volume of seaborne trade moving overland across the USSR. This overland volume is believed to have varied inversely with the possibilities for trans-shipments of China cargo through the Gdynia-Gdansk complex and probably reached a peak in early summer when these general cargo ports were highly congested. Small quantities of low-weight, high-value goods of high priority are probably often shipped by air freight from the European Satellites to China.

Some Chinese overland exports to the European Satellites have been reported although little is known about such shipments. It is probable that they consist largely of high-value commodities that are relatively unimportant tonnagewise.

(It has been tentatively decided to omit Tables 6 and 6 which would have given a summary listing of principal imports and exports with rough estimates of tonnage and values. It is believed that no matter how qualified, such a specific tabulation would have given a misleading impression of greater accuracy than such estimates can possibly have.)

31

III Volume of Imports.

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A. From Non-Bloc Countries.



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III. Detailed Analysis of Goods Imported

B. From Bloc Countries

1. Seaborne

The total of seaborne imports into Communist China from Soviet Bloc countries in 1953 is estimated at 790,000 tons. This total is made up as follows:

From Bloc Ports in Europe

In Bloc Ships	380,000
In Non-Bloc Ships	290,000

From Soviet Far East Ports

In Bloc Ships	100,000
In Non-Bloc Ships	20,000

790,000

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the cargo carried to China from Communist ports in Eastern Europe is estimated as follows:

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33

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<u>In Non-Communist Vessels**</u>	<u>Jan-June</u>	<u>July-Dec</u>	<u>Total 1953</u>
Voyages	14	25	39
GRT (000 tons)	85	137	222
Total Cargo (000 tons)	110	180	290
Iron and steel	35	115	150
Machinery, vehicles, equipment	10	15	25
Sugar	43	10	53
Ammonium sulphate	7	28	35
Paper	5	2	7
Other	10	10	20
<u>In Communist Vessels</u>			
Voyages	28	34	62
GRT (000 tons)	182	176	358
Total Cargo (000 tons)	180	200	380
Iron and steel	125	125	250
Machinery, vehicles, equipment	30	45	75
Petroleum products	7	10	17
Other	23	20	43
<u>Total Cargo, all Vessels</u>	<u>290</u>	<u>380</u>	<u>670</u>
Iron and steel	160	240	400
Machinery, vehicles, equipment	40	60	100
Sugar*	43	10	53
Ammonium sulphate*	7	28	35
Paper*	5	2	7
Petroleum products	7	10	17
All other	28	30	58

* Carried in non-Communist vessels only.

** Total weights were known or estimates were available for all voyages. However, cargoes were not identified in the case of approximately one-fifth of the voyages of the non-Communist vessels and one-third of the voyages of Communist vessels. In the above calculations, these unidentified cargoes were assumed to have an average composition similar to the known mixed cargoes.

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As last year, it appears that the more highly strategic cargoes originating in Western Europe tend to be carried in Soviet Bloc vessels.

Little information is available as to the cargoes of Bloc ships sailing from the Far East; so that last year's estimate of 120,000 tons has not been modified. There were 10 tanker arrivals totalling 71,000 GRT, one of which arrived in Dairen towing another vessel and may not have carried cargo. Petroleum shipments may therefore be estimated in a range from perhaps 70,000 tons to a maximum of 90,000 tons. Shipments of other cargo, primarily paper, would then constitute 30,000 to 50,000 tons.

35

III. Volume of Imports

B. From Bloc Countries

2. Overland Imports

The volume of China's overland imports is estimated at between 1,500,000 and 2,000,000 tons from the USSR (see section II B 3) plus an additional 25,000 or 50,000 tons from European Satellites. China's imports from the USSR included a relatively small tonnage of high-value military equipment and supplies, with the great bulk made up of civilian goods, particularly petroleum products, metals, machinery and paper products.

C. Capacity of Shipping Arriving in Communist China

1. Introduction

During 1953, 780 ocean-going ships (111 of Soviet Bloc and 669 of non-Bloc registry) arrived in Communist China from outside ports. This represents an increase of 47 per cent in the total ships and of 56 per cent in the ships of non-Bloc registry as compared with arrivals in 1952. The cargo-carrying capacity of these vessels has been calculated as 5.6 million tons, a 60 per cent increase over the previous year.* (See Table 8.**) 25X1

A table showing year-by-year changes in the number of arrivals, in cargo-carrying capacity and in the percentage of arrivals which were of non-Bloc registry is set forth on the next page:



** Table 8 follows on p.

36

S-E-C-R-E-T

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<u>Period</u>	<u>Number of Arrivals</u>	<u>Cargo-Carrying Capacity in Thousands of Tons</u>	<u>Percent of Arrivals of Non-Bloc Flag</u>
Jan-June 1951	316	2,023	91
July-Dec 1951	188	1,218	83
Total	<u>504</u>	<u>3,241</u>	<u>88</u>
Jan-June 1952	244	1,626	78
July-Dec 1952	288	1,901	83
Total	<u>532</u>	<u>3,527</u>	<u>80</u>
Jan-June 1953	385	2,800	87
July-Dec 1952	395	2,786	85
Total	<u>780</u>	<u>5,586</u>	<u>86</u>

2. Non-Bloc Arrivals.

The cargo-carrying capacity of the non-Bloc ocean-going shipping arriving in China in 1953 has been calculated as 4,630,000 tons (Tab A-2*). Sixty-one per cent of the 669 non-Bloc ships arriving were of British flag, a drop from 65 per cent the previous year. Japanese registered ships, appearing for the first time, accounted for 11 per cent of non-Bloc arrivals. Norwegian, Danish and Finnish registered ships were the principal other flags involved (Tab A-3*).

With the exception of 45 vessels with a cargo capacity of 391,000 tons all of these vessels arrived from non-Bloc ports (Tab A-4*). Although the per cent of voyages originating in Bloc ports increased from 4 per cent to 7 per cent as compared with 1952, this did not reflect any significant increase in the percent of carrying capacity originating from Bloc ports.

* Tabs A-2, A-3, A-4, and A-6 appear in Appendix A on pp.

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In addition to ships carrying goods directly to Communist China, non-Bloc vessels are known to have carried cargo to ports other than Communist China for eventual transhipment to that country. No estimate of the capacity of the shipping engaged in this traffic has been made but any known transhipped cargo is taken into account in assessing the total amount of China's imports.

3. Soviet Bloc Arrivals

(The former Tables 8A and 8B - summarizing in tonnages seawarde imports by origin and by estimated composition - will be prepared during the conferences. The attached Table 8C - summarizing the origin of imports from non-Bloc countries - will be used for guidance to the conference in preparing these other tables.) The cargo-carrying capacity of Soviet Bloc shipping arriving in Communist China in 1953 has been calculated at 956,000 tons. Of the ships arriving 59 were of Soviet flag and 52 of Polish flag (Tab A-7*). Apart from 6 voyages originating in Ceylon, all Soviet Bloc vessels sailed initially from Bloc ports (Tab A-8*).

D. Comparison of Shipping Capacity and the Volume of Seaborne Cargoes.

(This section will be prepared during the conferences.) 25X1C

* Tabs A-7 and A-8 in Appendix A follow on p.

39

S-E-C-R-E-T

Table 8A

Chinese Communist Seaborne Imports (Volume)

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Table 8B

Chinese Communist Seaborne Imports from Non-Bloc
Countries other than Hong Kong and Macao

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40

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Table 8c

Chinese Communist Imports from Non-Soviet Bloc Countries (Volume)
1953

Countries	Jan-Jun	Jul-Dec	Long Tons Total
<u>Europe and Western Hemisphere</u>			
Brazil ^a	0	0	0
Canada ^a	0	0	0
US ^a	0	0	0
BLEU ^a	27,000	500	27,500
Denmark ^a	100	100	200
Finland ^a	28,000	19,500	47,500
France ^b	38,300	20,800	59,100
West Germany ^b	34,800	29,500	64,300
Italy ^b	47,600	700	48,300
The Netherlands ^b	55,800	22,200	78,000
Norway ^a	8,500	100	,600
Sweden ^a	7,000	1,000	8,000
Switzerland ^a	1,000	1,000	2,000
UK ^b	5,000	3,000	8,000
Subtotal (14 countries)	<u>253,100</u>	<u>98,400</u>	<u>351,500</u>
<u>Near East, Asia, and Oceania</u>			
Australia ^b	500	600	1,100
Ceylon ^a	35,000	35,000	70,000
Egypt ^a	3,100	7,600	10,700
Hong Kong ^a	116,000	115,000	231,000
India ^b	2,000	2,000	4,000
Japan ^b	20,000	20,000	40,000
Malaya ^b	200	8,000	8,200
Pakistan	0	400	400
Subtotal	<u>176,800</u>	<u>188,600</u>	<u>365,400</u>
Total	<u>429,900</u>	<u>287,000</u>	<u>716,900</u>

a. Estimated from quantity data in official trade returns.

b. Estimated from six months data in official trade returns.

CONFIDENTIAL

51

NOTE

The following text, E, 1 through paragraph a on Roads and including Table 9 is unchanged from EIC-R1-S2 except for the addition of the footnote to the third paragraph and footnote e to Table 9. Section E, 1, b, however, on Inland Waterways has been revised.

E. Comparison of Rail Capability and Overland Imports from the USSR

1. Capability* of the Trans-Siberian Railroad and Connecting Transportation Routes into Manchuria and Korea

The Trans-Siberian railroad is estimated to have a capability based on a daily average throughout the year of handling 36 trains each way per day (EWPD) in through traffic between Omsk and Vladivostok. Of this number, it is estimated that 2 trains are required for minimum essential peacetime personnel movement (including both civil and military personnel), and 1 train for repair and maintenance service, and disruptions caused by snow, ice, floods, and accidents. The remaining 33 trains EWPD could be used for freight, each train carrying a net load of 1,000 tons, giving a capability for freight haulage of about 33,000 tons EWPD. Of the 33 trains, it is estimated that 1 train would be needed for carrying new rail, rail accessories, ties, ballast, and spare parts; 2, for railway fuel; 10, for minimum civilian peacetime freight needs; and 4, for military traffic. This leaves a balance of 16 trains EWPD, or 16,000 tons EWPD (5.8 million tons each way per year), for other needs, such as the supply of Communist China and Korea.

* The term capability as applied to railroads as used in this paper is defined as the maximum amount of traffic which can be moved over a railroad line for a sustained period with currently existing track facilities, operating methods, cars, and locomotives. If demands for traffic movement increase beyond existing capability, increases in capability are possible through such measures as increasing the net load per car; increasing the net load per train; through electrification, dieselization, or double heading of trains previously pulled by one locomotive; improvements in signalling and communications; or installation of double track on previously single-tracked lines.

42

The Tarskiy - Man-chou-li and Voroshilov - Sui-fen-ho branches of the Trans-Siberian railroad, which run to the Manchurian border, each have a capability equal to or greater than that of the Man-chou-li - Harbin - Sui-fen-ho line in Manchuria and therefore do not limit through traffic between the USSR and Manchuria.

The Man-chou-li - Harbin and Sui-fen-ho - Harbin lines each have an estimated capability of 10 freight trains EWPD, each with an estimated net load of 650 tons. This would permit 6,500 tons to move to Harbin from the USSR on each line, or a total of 13,000 tons daily (4.8 million tons per year).* Because it is believed that this does not represent the maximum capability of these lines, an estimated 2 additional trains for minimum passenger movements, railroad needs (maintenance, fuel, and spare parts), and local consumption requirements could probably be handled in addition to the estimated 10 freight trains. Transportation facilities from these connecting lines to the Korean border are adequate to carry the 13,000 tons daily noted above.

The Baranovskiy-Kraskino-Hongui line, which has an estimated maximum capability of 10 trains EWPD, should also be considered inasmuch as it leads from the Trans-Siberian to Northeast Korea. From Hongui in Northeast Korea, traffic may move into Manchuria via existing North Korean lines. It is estimated that 1 of the 10 trains is required for passenger movements and railroad requirements, leaving 9 trains EWPD for military and economic purposes, or a total of 4,500 tons EWPD (1.6 million tons per year).

A summary of the capability of the Trans-Siberian railroad and the connecting lines in Manchuria and Korea is contained in Table 9.**

a. Roads.

Roads connecting the USSR with North Korea, Manchuria, and China proper which are considered capable of handling through traffic are the following: Voroshilov-Kraskino-Hongui, Kraskino-Tumen, Imen-Mutanchiang, Birobidzhan-Chiamusu, Blagoveshchensk-Harbin, Ulan Ude-Ulan Bator-Beijing, Ayagus and Sary Uzak via Urumchi to Lanchow. There is a motor road from Harbin to Man-chou-li but there is no known

* State, Army and CIA agree that there is evidence which indicates that these estimates may be low. After further study of this evidence, and the application of new analytical techniques it may be necessary to revise these estimates upward. The Air Force and Navy do not presently concur in this statement.

** Table 9 follows on p.

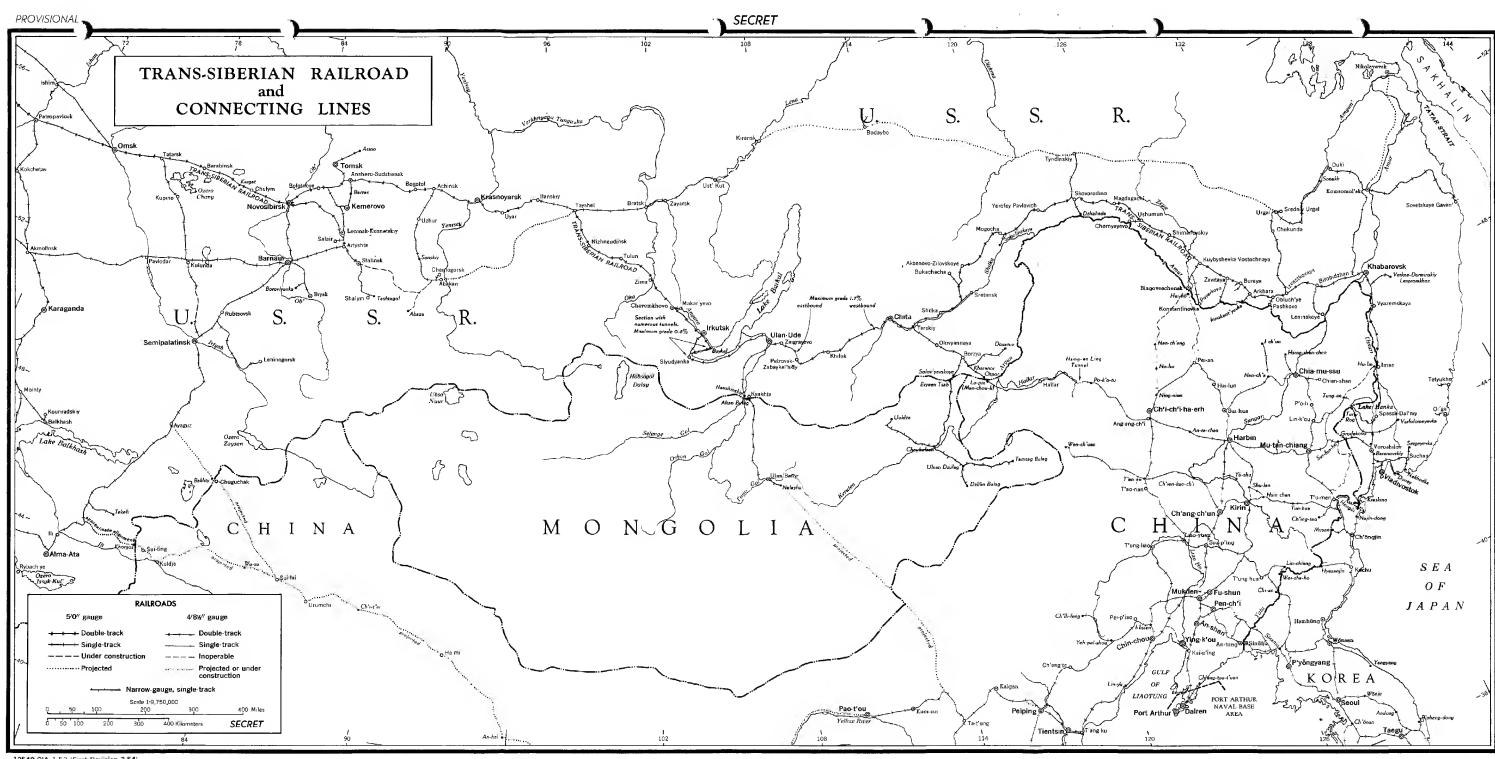


Table 9

Railways - Through Traffic Capability of the Trans-Siberian Railroad and Connecting Lines into Manchuria and North Korea
 1954

	Capability a/ (Trains Each Way Per Day)	Passenger and Other Non-Freight Movements (Trains Each Way Per Day)	Balance Available for Freight Movements (Trains Each Way Per Day)	Net Load Per Freight Train (Metric Tons)	Capability for Freight Movement Each Way	
					Per Day (Metric Tons)	Per Year (Million Metric Tons)
Trans-Siberian						
Total	36	3	33 b/	1,000	33,000	11.0 b/
(Available for Movement to China and Korea)			(16) c/		(16,000) c/	(5.8) c/
Manchuria d/						
Man-chou-li - Harbin	N.A.	N.A.	10 e/	650 e/	6,500 e/	2.4 e/
Sui-fen-ho - Harbin	N.A.	N.A.	10 e/	650 e/	6,500 e/	2.4 e/
Total	N.A.	N.A.	20		13,000	4.8
Korea						
Baranovskiy-Kraskino-Hongui	10	1	9	500	4,500	1.6

a. This is the capability, with existing known equipment and facilities, in the section of line with the lowest capability. Other sections of the line may have considerably higher capability.

b. A significant part of this capability must be used to supply the railroad with fuel, ties, and other materials.

c. After deductions for railroad needs and military and economic requirements of the Soviet Far East.

d. The Tarskiy - Man-chou-li - and Voroshilov - Sui-fen-ho branches of the Trans-Siberian railroad, which run to the Manchurian border, each have a capability equal to or greater than that of the Man-chou-li - Harbin - Sui-fen-ho line in Manchuria and therefore do not limit through traffic between the USSR and Manchuria.

e. State, Army and CIA agree that there is evidence which indicates that these estimates may be low. After further study of this evidence, and the application of new analytical techniques it may be necessary to revise these estimates upward. The Air Force and Navy do not presently concur in this statement.

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connecting motor road on the Soviet side of the border. There is a road from Voroshilov to Mutanchiang. The road from the Alma Ata area through Urumchi to Lanchow has a capability of about 400 tons EWP; Ulan Ude-Ulan Bator-Peiping, 100 tons; Blagoveshchensk-Harbin, 400 tons; Birobidzhan-Chiamussu-Harbin, 200; Iman-Mutanchiang, 100; Voroshilov-Mutanchiang, 400; Voroshilov-Kraskino-Hongui (North Korea), 300; Kraskino-Tumen, 300. These routes thus have a combined estimated capability of about 2,200 tons EWP. However, these estimates should be reduced by as much as one quarter (to 1,650 tons) to allow for the consumption of POL and supplies required for the operation and maintenance of the routes, and are made with the assumption that there would be sufficient vehicles available. In some cases, as in the long haul from the Alma Ata area to Lanchow, the large-scale shipments would be extremely uneconomic due to the heavy consumption of motor fuel and supplies for through truck movements and the thousands of trucks required to sustain the through capability. Economic factors might, however, be subordinated to political and military considerations.

b. Inland Waterways

The Sungari River, a principal tributary of the Amur, lying wholly within Northern Manchuria, forms the main water route of Manchuria and the principal waterway connection between Manchuria and the USSR. Within Manchuria, it serves the widely cultivated northern plain, as well as extensive timber and mining regions, for which it provides an important means of transport to and from rail centers on the river. By way of the Amur, the river provides connection with Nikolayevsk, an important Soviet seaport opposite the northern part of Sakhalin Island. Under normal winter conditions navigation on the Sungari is possible for 155-200 days of the year; low water periods, however, often preclude shipping during the latter part of June and the beginning of July.

There are 9 ports along the Sungari, of which Harbin and Chiamussu-Lienchiangkou are the most important. Both are major water-rail transhipment points and distribution centers for North-Central Manchuria.

The physical capacity of the river, an unencumbered natural waterway, is virtually unlimited; but it is restricted at any given time by the total cargo-carrying capacity of the vessels available. It is estimated that, using available Chinese tonnage and facilities for international traffic, the river fleet has a capacity of 1,250 tons daily, each way, during the shipping season (approximately 250,000 tons each way annually). If engaged solely in internal Manchurian traffic

45

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S-E-C-R-E-T

(which would represent a decrease in present average length of haul), the fleet's capacity would be somewhat greater. Actual performance in 1953 is estimated at about 550,000 tons, the bulk of which was domestic traffic. This estimate is somewhat below pre-war actual traffic levels; but the great loss of craft during the war and by Soviet reparations would account for a considerable decline of the pre-war transport potential of the Sungari fleet.

2. Comparison of Overland Trade and Inland Transportation Capacity (This section will be prepared during the [redacted] Conferences.)

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46

S-E-C-R-E-T

IV. Assistance to the Soviet Bloc by Non-Bloc Shipping Services

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A. Involvement of Non-Bloc Vessels.

The data in Table 10* shows a sharp increase in total shipping involved - 61 per cent more than for 1952 - and an even greater increase in the percentage of non-Bloc shipping (76 per cent as compared with an increase of only 27 per cent in Soviet Bloc shipping). Accordingly, the non-Bloc shipping involved has increased from 70 per cent to 77 per cent of the total of all shipping. The non-Bloc shipping involved for every month during 1953 exceeded the peak months at the close of 1952; but no clear trends during the year are discernible except a normal seasonal increase during the warmer months. Correspondingly, Soviet shipping showed a seasonal increase during the colder months when it carried a noticeably heavier proportion of the total (25 to 35 per cent in January, February, October, November and December as compared with 17 to 24 per cent in the warmer months.).

The percentage of non-Bloc tonnage of British registry showed a sharp reduction over the previous year. Whereas over 60 per cent of the non-Bloc tonnage involved in the last half of 1952 was of British registry, this figure fell to 56 per cent in the first half of 1953 and to 47 per cent by the last six months of the year. Japanese vessels appeared in the listing for the first time constituting the second largest group, while Panamanian vessels virtually disappeared from the list. Greek and Norwegian vessels remained the most important other carriers, closely approached by the activities of the other Scandinavian countries. France, Italy and the Netherlands also contributed markedly to the total increase in non-Bloc tonnages involved.

B. Scheduled Voyages of Non-Bloc Ships.

The volume of non-Bloc shipping involved on a "scheduled voyage" basis was again important, actually increasing about 80 per cent over 1952. During 1953 a total of 53 individual vessels with about 417,000 GRT (625,000 cargo dead-weight tons) were committed to advertised scheduled voyages which provided to Communist China a share of the total cargo space. Although the proportion of scheduled voyages under the British flag fell to 53 per cent of the total, there was an absolute increase of 36 per cent in total cargo capacities of scheduled British voyages. Dutch, Norwegian and Swedish sailings constituted the bulk of the remaining increase. (See Table II p.)

* See Table 10 on p.

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C. Charter of Non-Bloc Vessels.

Indirect Western support for shipping to Communist China is also provided through the Soviet's chartering of vessels of non-Bloc flag. In 1953 the total shipping involved in this category decreased roughly 10 per cent (to 200 non-Bloc vessels totalling about 1,050,000 GRT). Increased involvement was noted principally in chartered ships of British, Finnish, Panamanian and Swedish registry while the elimination of chartered Pakistani shipping and sharp decreases in Greek and Turkish ships involved were primarily responsible for the over-all decrease (See Table 12, p.).

D. Non-Bloc Deliveries of Ships to the Bloc.

Western European construction and delivery of ships to the USSR again significantly contributed to the total availability of shipping to the Soviet Bloc. During 1953, 17 new ships totalling nearly 42,000 GRT were delivered to the USSR from Western European shipyards. (See Table 13, Parts I and II, p.)

(A brief statement will be inserted as to how many of these vessels were listed under International List I and International List II. *)

E. Non-Bloc Repairs to Bloc Vessels.

Repairs to Soviet Bloc vessels in Western European shipyards are also an important indirect support to Bloc shipping - particularly since such services almost invariably involve major repairs or overhauls which take a long time and which, if undertaken in the USSR, would divert important materials, facilities and personnel from Soviet naval construction. During 1953 the rate of such services declined, involving 41 Bloc ships totalling only 186,000 gross registered tons as compared with 49 ships and 246,000 gross tons in 1952. Twenty-four of these ships were returned to service during the first half of the year, 19 during the latter half, and 6 were still undergoing repairs at the end of December. (See Table 13, Part III, p.)

F. Volume and Composition of the Soviet Bloc Merchant Fleet.

Non-Bloc assistance to Bloc shipping should be considered in relation to the volume and composition of the Bloc merchant fleet, summarized in Table 14 on p. . The Soviet Bloc fleet is still clearly inadequate to their needs, and consists of only 801 merchant vessels (over 1,000 GRT) totalling about 2,611,000 GRT. Still included in this total are 83 US-owned Lend-Lease vessels totalling 518,000 gross tons to which the USSR has no legal title or right whatsoever, but which they

* Warships, tankers, floating docks, and icebreakers (over 2,000 horsepower) are on I/L I. Merchant vessels (except tankers) over 7,000 gross tons with speed in excess of 12 knots, and dredges and icebreakers under 2,000 horsepower are on I/L II. These controls are applicable to the Soviet Bloc excluding China. There is an embargo on delivery of all ships and boats to Communist China.

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steadfastly refuse to return. In view of the high degree of obsolescence of the Soviet Bloc merchant fleet and the fact that about 20 per cent is undergoing or awaiting repairs, these Lend-Lease vessels may be regarded of major importance.

The availability of non-Bloc vessels and shipping services is significant since Soviet shipyards are used almost exclusively for the construction of naval vessels. (A more detailed statement of the evidence as to USSR construction of merchant vessels in contradistinction to naval ships will be prepared:)

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51

S-E-C-R-E-T

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TABLE 13

SHIPS AND SERVICES - ACQUISITION BY THE SOVIET BLOC FROM
 NON-SOVIET BLOC COUNTRIES
 1953

CRT

I. Soviet Bloc Purchases, Second-hand ships

WSPOLPRACA, Polish Tanker (ex-Finnish NESTE) 6,208

II. Soviet Bloc Deliveries, new ships, from West European Shipyards.

Denmark to USSR	TUAPSE (Tkr)	9,047
	REFRIGERATOR NO. 6	1,679
	REFRIGERATOR NO. 7	1,679
	REFRIGERATOR NO. 8	1,679
	4 ships	14,084

Finland to USSR	BOBRUIJSK	2,491
	MOGILEV	2,491
	ARCHANGELSK	5,660
	KARADAG (Tkr)	1,145
	MIRGOROD	2,491
	PJATIGORSK	2,491
	UFA (Tkr)	1,169
	TSCHARDSHOV (Tkr)	1,081
	RJASHSK	2,491
	OSCHUM (Tkr)	2,491
	BREST	2,491
	11 ships	25,170

Sweden to USSR	OCEAN (Tkr)	1,147
	UHTA (Tkr)	1,145
	2 ships	2,292

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Table 13 (Continued)

III. Soviet Bloc Ships Under Repair, West European Shipyards.

<u>Name</u>	<u>Flag</u>	<u>GRT</u>	<u>Arrived</u>	<u>Departed</u>
Belgium:				
PRACA (Tanker)	Polish	8,207	7.7.52	13.7.53
KOLNO	Polish	2,487	23.2.53	3.6.53
KILINSKI	Polish	7,697	22.1.53	11.4.53
KARPATY (Tanker)	Polish	6,487	17.2.53	20.8.53
BEREZINA	Rumanian	3,087	16.11.53	
Britain:				
GENERAL PEM	Polish	5,011	16.12.52	26.9.53
MAZURY	Polish	909	6.4.53	28.4.53
NIKOLAJ REJ	Polish	5,614	18.5.53	6.7.53
LECH	Polish	1,568	19.3.53	25.4.53
BATORY	Polish	14,287	11.5.53	20.6.53
HEL	Polish	1,076	4.5.53	30.6.53
VILNUS	Russian	4,956	12.1.53	24.2.53
Denmark:				
GOYNIA (now Russ. STAVROPOL)	Polish	2,780	4.11.52	28.7.53
POZNAN	Polish	2,017	16.1.53	17.2.53
SIVASH	Russian	2,282	15.4.52	29.5.53
POKOJ	Polish	4,397	30.6.53	15.8.53
KAPITAN CASTELLO	Russian	2,795	14.4.53	30.4.53
SZCZECIN (now Russ. TAGANROG)	Polish	2,792	21.6.53	18.11.53
KIELCE	Polish	2,352	13.10.53	31.10.53
Italy:				
KOLKHOSENIK	Russian	7,168	24.3.53	30.4.53
JEAN JAURES	Russian	7,176	1.3.53	25.4.53
CHIPKA	Bulgarian	2,304	5.10.53	
A. ANDREEV	Russian	2,847	2.11.52	
SOVETSKAYA GAVAN	Russian	7,174	21.2.53	16.5.53
MOGILEV	Russian	1,057	12.8.52	30.3.53
ASKOLD	Russian	7,176	25.2.53	18.4.53
DIMITRI POZHARSKY	Russian	6,267	1.12.53	
Trieste:				
CHRISTO SWIRHENSKY	Bulgarian	1,629	31.5.53	9.10.53

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Table 13 (Continued)

III. Soviet Bloc Ships Under Repair, West European Shipyards (continued)				
Name	Flag	GRT	Arrived	Departed
Netherlands:				
KORSAKOV	Russian	2,770	1.8.52	
TAMBOV	Russian	2,902	12.12.52	12.3.53
TUNGUS	Russian	7,194	5.12.52	9.1.53
ONEGA	Russian	1,662	14.12.52	24.2.53
VYGOZERO	Russian	2,232	3.4.52	3.6.53
KALININGRAD	Russian	6,214	19.8.52	27.6.53
VOLGA	Russian	2,847	6.10.52	
VTORAYA PYATILETKA	Russian	7,176	24.4.53	12.6.53
West Germany:				
MARYNSKI	Polish	4,341	24.1.53	26.2.53
BIALYSTOK	Polish	7,173	26.5.53	30.6.53
PREZYDENT GOTTLWALD	Polish	5,058	28.3.53	4.6.53
CZECH	Polish	9,649	23.7.53	3.9.53
PRZYJAZN NARODOW	Polish	1,330	28.7.53	9.9.53

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TABLE 14

SHIPPING - SURVEY OF SOVIET BLOC MERCHANT FLEET
31 December 1948 a/

Combination b/ Number (Thousands)	Freighters		Tankers		Miscellaneous		TOTAL	
	GRT Number	(Thousands of Tons)	GRT Number	(Thousands of Tons)	GRT Number	(Thousands of Tons)	GRT Number	(Thousands of Tons)
USSR	68	325	482	1,491	35	137	23	84
Poland	3	23	59	215	3	21	5	9
Communist China	36	35	57	162	10	34	1	3
Bulgaria	-	-	4	10	-	-	-	4
Czechoslovakia	-	-	1	6	-	-	-	1
Hungary	-	-	2	2	-	-	-	2
Rumania	3	16	4	15	-	-	1	2
TOTAL	110	439	609	1,902	48	172	30	98
							801	2,611

a. Vessels of less than 1,000 gross registered tons are excluded.

b. Carries passengers and freight.

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Annex

Developments During the First Quarter of 1954

(To be prepared during conference)

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S-E-C-R-E-T

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APPENDIX

DETAILED DATA ON MERCHANT SHIPPING
INVOLVED IN TRADE WITH COMMUNIST CHINA

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EXPLANATORY NOTES1. Definitions.a. Beneficial Owner.

The term beneficial owner is not capable of concise legal definitions, since it is of wide interpretation, but it can be stated briefly as the owner who obtains the benefit from any voyage, charter, sale, or other transaction. (See particularly Sections 57 and 58 of the Merchant Shipping Act of 1894.)

It is believed that the Lloyd's Confidential Index regarding beneficial ownership cannot be relied upon as showing in particular cases all the beneficial interests which there may be, since some of these may not be registerable. However, it is believed that the summary data contained in the appendices are reasonably accurate and for the greater part have been confirmed by collateral information. Moreover, in the examination of questions of the beneficial ownership of individual vessels, unless there is information to the contrary, Lloyd's Confidential Index offers prima facie evidence of beneficial ownership.

No determination has been made in this paper concerning the possible responsibility of beneficial owners under the shipping control statutes and regulations of the US or any other nation.

b. Cargo-Carrying Capacity.

Cargo-carrying capacity has been calculated by multiplying the gross registered tons by 1.5 and is expressed in thousands of long tons.

2. Chinese Communist Merchant Fleet.

The Chinese Communist merchant fleet (vessels over 1,000 gross registered tons) is engaged almost entirely in coastal trade, and its activities are not covered in the Appendix. However, the composition of the Chinese Communist merchant fleet is presented in Section V in the main body of the report.

3. Statistical Inconsistencies.

Minor differences between column totals are due to rounding.

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TAB A-1

MERCHANT SHIP ARRIVALS IN COMMUNIST CHINA, BY MONTHS a/ 1953

Month	Number	GRT (Thousands of Tons)	Cargo-Carrying Capacity b/ (Thousands of Tons)
			(Thousands of Tons)
January	53	241	361
February	69	342	513
March	65	313	470
April	69	323	425
May	72	372	558
June	57	275	413
July	66	305	457
August	59	279	418
September	66	307	460
October	62	289	432
November	69	321	482
December	73	359	537
Total	772	3,724	5,586

a. This table excludes ships under 1,000 gross registered tons. This table presents data on those Soviet Bloc and non-Soviet Bloc vessels that are known to have arrived in Communist Chinese ports, by voyages. Vessels have been included as many times as they have arrived from non-Chinese ports. Data on coastal shipping are contained in Table VI and Tab C-4.

b. Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

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TAB A-2

NON-SOVIET BLOC MERCHANT SHIPPING ARRIVING IN COMMUNIST
CHINESE PORTS, BY MONTHS a/
1953

Month	Number	GRMT (Thousands of Tons)	Cargo-Carrying Capacity b/ (Thousands of Tons)
January	49	218	327
February	54	257	386
March	56	260	390
April	61	283	425
May	61	304	456
June	53	253	379
July	62	273	417
August	52	249	372
September	57	254	381
October	54	238	357
November	59	259	389
December	51	234	351
Total	669	3,087	4,630

a. This table excludes ships under 1,000 gross registered tons. This table presents data on those non-Soviet Bloc vessels that are known to have arrived in Chinese Communist ports by voyages. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

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TAB A-3

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN
 COMMUNIST CHINESE PORTS, BY COUNTRY OF REGISTRY
 AND NATIONALITY OF BENEFICIAL OWNERS ^{a/}
 1952

	Country of Registry		Nationality of Beneficial Owners	
	Number	(Thousands of Tons)	Number	GRT (Thousands of Tons)
United Kingdom	411	1,662	295	1,403
Japan	76	441	441	441
Norway	51	197	51	197
Denmark	39	177	39	177
Finland	25	138	22	120
Greece	14	97	2	22
France	13	95	13	95
Sweden	12	81	16	95
Italy	11	79	52	86
Netherlands	8	62	8	62
India	6	35	5	35
Pakistan	4	21	4	21
Trieste	0	9	1	9
Panama	1	2	0	2
Communist China	0	0	139	281
United States	0	0	7	49
Total	669	3,087	669	3,087

a. This table excludes vessels under 1,000 gross registered tons. These totals represent the actual arrivals, each ship being counted as many times as she arrived in a Chinese port from a non-Communist Chinese port.

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TAB A-6

ORIGIN OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT
SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS ^{a/}
1953

<u>Country of Origin</u>	<u>Number (Thousands of Tons)</u>	<u>GRT</u>	<u>Cargo-Carrying Capacity (Thousands of Tons)</u>
<u>ASIA</u>			
Japan	177	995	1,492
Hong Kong	321	965	1,447
Indo China	9	62	93
Formosa	5	37	56
Soviet Far East	5	29	43
India	4	23	35
Malaya	6	19	29
Thailand	5	14	20
Pakistan	1	8	12
Korea	1	7	10
<u>Total</u>	<u>524</u>	<u>2,159</u>	<u>3,236</u>
<u>EUROPE</u>			
Poland	27	212	319
West Germany	24	190	285
United Kingdom	23	178	267
Netherlands	12	87	132
Belgium	9	62	92
France	7	50	75
Norway	5	33	50
Finland	4	27	41
Sweden	4	29	37
Denmark	3	21	31
Italy	3	20	30
Rumania	2	13	20
Trieste	2	10	14
<u>Total</u>	<u>135</u>	<u>928</u>	<u>1,373</u>
<u>GRAND TOTAL</u>	<u>669</u>	<u>3,087</u>	<u>4,609</u>

a. This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

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TAB A-5

DESTINATION OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT
SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS a/
1953

<u>Port of Destination</u>	<u>Number</u>	<u>GRW (Thousands of Tons)</u>
<u>North China</u>		
Tientsin/Taku Bar	167	907
	95	423
Shanghai	58	381
Tsingtao	39	207
Chinwangtao	57	319
Dairen	6	21
Tangku		
		2,253
<u>Total</u>	<u>422</u>	
<u>Central China</u>		
Swatow	123	264
Foochow	26	49
Rankong	1	3
Amoy	1	2
Hungwha	1	2
Chuenchow	1	1
Unknown Central Chinese port	1	4
		316
<u>Total</u>	<u>154</u>	
<u>South China</u>		
Canton/Whampoa	80	416
Yulin (Hainan Island)	7	16
Kaisami Island	3	12
Holhow (Hainan Island)	1	8
		19
<u>Total</u>	<u>93</u>	
<u>GRAND TOTAL</u>	<u>669</u>	<u>2,694</u>

a. This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

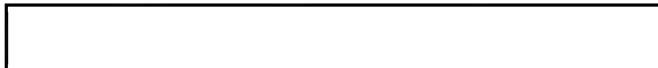
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S-E-C-R-E-T

Tab A6

Summary of Shipping (other than Ocean-Going Over 1,000 GRT)
Clearing Hong Kong for Communist China and Macao, 1953

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SOVIET SHIP SHIPPING ARRIVALS IN CHINESE COMMUNIST PORTS. BY MONTHS OF
1949

	GRt (thou- sands)	Carrying (thous- ands)		GRt (thou- sands)	Carrying (thous- ands)		GRt (thou- sands)	Carrying (thous- ands)
Number of tons)	of tons)	Number	of tons)	Number of tons)	of tons)	Number	of tons)	
January	4	23	35	3	10	11	1	4
February	25	85	127	9	50	75	6	35
March	9	53	80	2	12	18	6	52
April	8	40	60	4	21	32	4	41
May	11	68	102	5	30	45	6	38
June	4	22	34	1	5	8	3	17
July	4	27	40	1	6	9	3	21
August	7	30	46	5	21	32	2	9
September	9	53	79	2	15	22	7	38
October	8	50	75	3	20	30	5	30
November	10	62	93	7	40	60	3	22
December	22	124	186	36	91	137	6	33
TOTALS	111	637	956	59	325	489	52	312
								467

67

Vessels of less than 1,000 gross registered tons are not included in this table. All Soviet and Polish ships are owned and operated by their respective governments. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo carrying capacity is calculated by multiplying gross tons by 1.5.

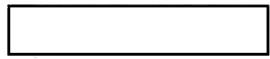
c. It is believed that the Soviet figures include some arrivals at Dairen for docking and repairs. Coverage of arrivals from Soviet Far East is probably incomplete but unrecorded arrivals are probably small.

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PAG A-9

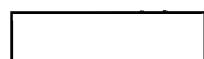
CHARTERED VESSELS FOR POLYESTER BAGS ARRIVED IN CHINA IN 1953
ARRIVING IN CHINESE CHINESE PORTS IN
1953

<u>Country or Area of Origin</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>	<u>Cargo Carrying Capacity b/ (Thousands of Tons)</u>
Ceylon	6	34	51
Poland	56	307	461
Rumania	3	20	20
USSR (Baltic)	1	5	7
USSR (Black Sea)	2	9	14
USSR (Far East)	41	257	386
East Germany	2	5	7
Total	111	637	956

a. This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

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TAB A-9

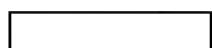
**DESCRIPTION OF VOYAGES OF CHINESE REGISTERED FREIGHT SHIPS IN
THE CHINESE PORTS IN 1949**

<u>Port of Destination</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>	<u>Cargo Carrying Capacity b/ (Thousands of Tons)</u>
North China			
Chinwangtso	5	33	30
Dairen	36	221	332
Shanghai	6	34	51
Taku Bar/Tientsin	47	253	380
Tsingtao	2	12	17
Total	96	553	830
South China			
Whampoa	15	34	126
Grand Total	111	637	956

This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacity has been computed by multiplying gross tonnage by 1.5.

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TAB B-1

MERCHANT SHIP DEPARTURES FROM COMMUNIST CHINA, BY MONTH, 1953

Month	Number	GRT (thousands of tons)	Cargo-Carrying c/ Capacity (thousands of tons)
January	46	214	321
February	51	242	362
March	75	169	554
April	71	347	521
May	74	279	569
June	55	235	428
July	59	270	405
August	55	255	383
September	73	348	523
October	62	295	463
November	61	297	446
December	93	454	696
Total	777	3,765	4,662

a. This table excludes vessels under 1,000 gross registered tons; it also excludes shipping between Chinese Communist ports.

b. This table presents data on those Soviet bloc and non-Soviet Bloc vessels that are known to have departed from Communist Chinese ports by voyages. Vessels have been included as many times as they have departed for non-Communist Chinese ports.

c. Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.

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Tab B-2

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING
FROM COMMUNIST CHINESE PORTS, BY MONTHS *a/b/c*
1953

<u>Month</u>	<u>Number</u>	<u>GRT (Thousands of Tons).</u>	<u>Cargo-Carrying Capacity (Thousands of Tons)</u>
January	43	195	298
February	48	224	336
March	61	296	444
April	62	294	444
May	59	294	444
June	48	239	357
July	56	252	378
August	51	239	354
September	61	274	411
October	51	230	345
November	53	231	327
December	64	292	448
Total	657	3,067	4,601

a. This table excludes ships under 1,000 gross registered tons.

b. This table presents data on those non-Soviet bloc flag vessels that are known to have departed from Communist Chinese ports by voyages. Vessels have been included as many times as they have departed for a non-Chinese port.

c. Cargo carrying capacity has been computed by multiplying gross tonnage by 1.5.

Tab B-3

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM COMMUNIST
 CHINESE PORTS BY COUNTRY OF REGISTRY AND RESIDENCE OF BENEFICIAL
 OWNERS IN 1953 a/ b/

Country	Registry		Beneficial Ownership	
	Number	GRT (Thousands of Tons)	Number	GRT (Thousands of Tons)
United Kingdom	400	1,644	291	1,403
Japan	73	434	73	431
Norway	52	203	52	203
Denmark	39	181	39	181
Finland	24	131	21	117
Greece	14	97	3	21
France	13	95	13	94
Sweden	14	85	17	95
Italy	11	79	11	79
Netherlands	8	52	8	62
India	5	35	5	34
Pakistan	4	21	4	21
Trieste	-	-	1	7
United States	-	-	6	42
Communist China	-	-	713	268
Total	657	3,067	657	3,067

a. This table excludes vessels under 1,000 gross registered tons.

b. These totals represent the actual departures, each ship being counted as many times as she departed from a Communist Chinese port for a non-Communist Chinese port.

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Tab B-4

ORIGIN OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING
DEPARTING FROM COMMUNIST CHINESE PORTS IN 1953 a/ b/c/

<u>Port of Origin</u>	<u>Number</u>	<u>GRT</u> (thousands of tons)
<u>North China</u>		
Taku Bar/Tientsin	156	819
Shanghai	101	457
Psingtao	65	443
Chinwangtao	54	297
Dairen	41	222
Tangku	5	18
Hankow	1	2
Unknown	7	30
 Total	 430	 2,283
<u>Central China</u>		
Swatow	120	258
Foochow	16	34
Hankow	1	4
Chuenchow	1	2
 Total	 138	 298
<u>South China</u>		
Whampoa/ Canton	76	405
Yulin	12	72
Boihow (Hainan Island)	1	3
 Total	 89	 481
 GRAND TOTAL	 657	 3,067

a. This table excludes vessels under 1,000 gross registered tons.
 b. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.
 c. Irrespective of the number of port calls while in Communist China, the last known Chinese port touched by a non-Communist vessel is considered to be the origin of a return voyage.

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TAB B-5

DESTINATIONS OF VOYAGES OF NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING
DEPARTING FROM COMMUNIST CHINESE PORTS IN 1954 a/ b/

Country of Destination	Number	GRT (thousands of tons)
<u>ASIA</u>		
Hong Kong	276	764
Japan	109	531
Ceylon	40	24
Pakistan	17	92
Malaya	15	54
India	7	37
Thailand	4	11
Soviet Far East	2	11
Burma	2	2
Formosa	1	6
Total	473	1,752
<u>EUROPE</u>		
West Germany	3	406
Netherlands	27	188
Poland	31	201
United Kingdom	21	170
Norway	7	47
France	6	43
Rumania	6	18
Denmark	4	15
Belgium	4	30
Italy	4	45
Sweden	3	11
Trieste	2	12
Finland	2	11
Total	180	1,287
<u>OTHERS</u>		
Australia	3	19
United States	1	9
Total	4	28
GRAND TOTAL	657	3,067

a. This table excludes ships of less than 1,000 gross registered tons. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese Communist port.

b. Irrespective of the number of port calls while enroute from Communist China, the last known Western port touched by a non-Communist vessel is considered to be the destination of the vessel.

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Explanation of the Term "Involvement"

The term involvement as used in connection with the statistics presented in Tab C has the following meaning: vessels are considered to be "involved" when they are known to be en route to or from, or in, Communist Chinese ports. This procedure is intended to measure shipping directly occupied in Communist Chinese seaborne trade.

The statistics in Tab C on involvement seek to indicate the minimum amount of shipping that would be lost to the Soviet Bloc if non-Soviet Bloc registered and/or owned vessels were prevented from carrying Communist China's seaborne trade. The statistics are minima in the sense that (1) they do not include a large volume of shipping in vessels under 1,000 gross registered tons and that (2) they do not include vessels indirectly involved in Communist Chinese seaborne trade such as those carrying goods to other than Communist Chinese ports for eventual transshipment to the Communists. Vessels making an inbound or outbound voyage in ballast or a voyage only partially loaded have been included in the statistics.

TAB C-1

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING INVOLVED IN
COMMUNIST CHINESE SEABORNE TRADE, BY COUNTRY OF REGISTRY
AND RESIDENCE OF BENEFICIAL OWNERS, 1953 a/ b/

	Country of Registry		Residence of Beneficial Owners	
	CRT	CRT	CRT	CRT
	Number (Thousands of Tons)	Number	(Thousands of Tons)	
United Kingdom	145	912	140	910
Japan	26	143	26	143
Greece	16	107	3	29
Norway	19	98	19	98
Finland	17	89	15	79
France	11	80	11	80
Denmark	12	76	12	76
Sweden	12	72	14	80
Italy	9	63	9	63
Netherlands	7	54	7	54
India	4	28	4	28
Pakistan	3	17	3	17
Panama	1	2	-	-
Communist China	-	-	11	36
Trieste	-	-	1	7
United States	-	-	7	49
Total	282	1,739	232	1,739

a. This table excludes vessels under 1,000 gross registered tons.
 b. Non-vital importers were those whose average of the number of voyages made during the year.

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[Redacted]
TAB C-2-a

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING ARRIVING AT OR
ENROUTE TO COMMUNIST CHINESE PORTS FROM NON-CHINESE PORTS ^{a/}
1953

Country of Registry	Number	GRT (Thousands of Tons)
United Kingdom	424	1,739
Japan	74	641
Norway	52	204
Denmark	39	177
Finland	27	147
France	16	118
Sweden	17	101
Greece	14	97
Italy	11	79
Netherlands	9	68
India	5	35
Pakistan	4	21
Panama	1	2
Total	693	3,229

a. This table excludes all ships under 1,000 gross registered tons. These totals represent voyages, each ship being counted as often as she was engaged in a voyage to a Chinese Communist port from a non-Chinese Communist port.

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[Redacted]
TAB C-3-b

NON-SOVIET BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM OR
ENROUTE FROM COMMUNIST CHINA TO NON-CHINESE PORTS IN 1953, BY
COUNTRY OF REGISTRY a/, b/

<u>Country of Registry</u>	<u>Number</u>	<u>GRT</u> (Thousands of Tons)
United Kingdom	411	2,716
Japan	73	434
Norway	55	223
Denmark	42	194
Finland	26	170
Greece	16	107
France	13	95
Sweden	15	90
Italy	11	79
Netherlands	9	71
India	5	35
Pakistan	4	21
Total	680	3,205

a. This table excludes all ships under 1,000 gross registered tons.
 b. These totals represent voyages, each ship being counted as often as she was engaged in a voyage from a Communist Chinese port to a non-Communist Chinese port.

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TAB C-6

NON-COMMUNIST FLAG VESSELS IN CHINESE COMMUNIST COASTAL TRADE

1953

VESSEL	FLAG	GRT	REMARKS
1. ADMIRAL HARDY	Br(CC?)	1929	Traded North and Central Chinese ports in March. Engaged in general coastal traffic during August, November.
2. BELAPUR	Br(CC)	7939	Traded North China ports in February and March. Engaged in general coastal traffic during June. Engaged in general coastal trade in August, September, and October.
3. HELIKON	Sr	2036	General coastal trade in October, November.
4. INCHARRAN	Br	3539	Departed Hongkong 28/12 for Swatow and Tsingtao; operated coastwise throughout January. Traded Central and North China ports in March and April. Engaged in general coastal traffic during June. Operated coastwise in August, September and November.
5. INCHISLAY	Br	1791	Traded Central and North China ports during May. Coastal trade in August.
6. INCHKILDA	Br	1908	Coastal trade in August.
7. INCHULVA	Br	1935	Engaged in coastal trade during November.
8. LANTAO	Br	4312	Coastal trade in August, November and December.
9. NORTHERN GLOW	Br(CC)	5135	Traded North China ports in January, February and March. Engaged in general coastal traffic during June. Engaged in coastal traffic during July, August, September, October, November and December.

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TAB C-6 (Continued)

VESSEL	FLAG	GRT	REMARKS
10. SAN EDUARDO	Br	2994	Engaged in coastal trade in September, October, November and December
11. SUNMANERIS	Sw	4504	Traded Dairen-Swatow during January. Traded Dairen-Taku Bar-Swatow in February.
12. TAIJUNGSAN	Br (CC?)	2172	General coastal trade in October and December.

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IAC-D-44

12 March 1952

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INTELLIGENCE ADVISORY COMMITTEE

PROPOSED ESTIMATES ON SOVIET INTENTIONS
AND WAR POTENTIAL

The following proposals are submitted by the National Estimates Board for consideration of the IAC.

PROBLEM

1. To initiate appropriate National Intelligence Estimates to succeed and improve on NIE-25: Soviet Courses of Action through Mid-1952.

FACTS BEARING ON THE PROBLEM

2. NIE-25 runs out on 30 June 1952 and is already out of date with respect to many areas and subjects, of which the major ones have been covered in separate estimates. There is, however, a clear need for an over-all estimate on this subject, to be published before 1 July and to cover the period through mid-1953.

3. Since the preparation of NIE-25 there has been a great deal of progress in intelligence on Soviet capabilities, particularly on the economic side. The pending EIC studies on the Soviet economy, now scheduled for completion in March and May for the two halves, will provide much valuable material. Work is also far advanced on NIE-60, Parts I and II, dealing with Soviet air defense and civil defense capabilities. On the specifically military side, the Board feels that there is a great need to re-examine and appraise presently accepted figures and judgments. For all of these reasons, the Board believes that there should be a separate estimate on Soviet capabilities for general war in the period through mid-1953 and that this estimate should be finished prior to the final stages of the revision of NIE-25.

4. In addition to this study of Soviet capabilities, the Board believes that there should be a basic long-term estimate on Soviet War Potential covering the period 1952 through 1955. No such study now exists. It would require, on the economic side, a projection of the pending EIC studies, supplemented by a substantial additional contribution from scientific intelligence. Such an estimate would serve an important policy purpose in its own right. In addition, its initiation at the present time would permit some of the advance conclusions, even

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12 March 1952

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if only tentative, to be used for purposes of the revision of NIE-25. It is clear that Soviet intentions through mid-1953 will depend not only on their capabilities within this period but also on their view of the trend of these capabilities for the succeeding years.

5. The NSC is now considering a revision of NSC 114, the basic over-all US policy. It is not clear that any new estimate will be required, but the possibility must be considered. The present target date for the revision of NSC 114 is 2 April 1952, though this date will undoubtedly be extended. An estimate for this revision might tend to cover the same ground as the proposed revision of NIE-25.

DISCUSSION

6. The Board feels strongly that the revision of NIE-25 should be completed only after the completion of the capabilities short-term study. It is therefore opposed to any other new broad paper in the immediate future (i.e., before about 15 June). If an immediate estimate is absolutely required for the revision of NSC 114, there exists SE-13: Probable Developments in the World Situation through Mid-1953, published 24 September 1951, and this could be examined and revised in minor respects. This estimate was prepared for the revision of NSC 114 in the fall of 1951. Though not satisfactory as a basic estimate of Soviet courses of action, it should substantially meet NSC needs.

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RECOMMENDATION

8. That the IAC be requested to approve the initiation of the following new estimates:

NIE-64 (PART I) a. NIE-63: Soviet Capabilities for General War through Mid-1953. Priority: High. Target date: 15 May.

b. NIE-64: Probable Soviet Courses of Action through Mid-1953. (PART II) Priority: High. Target date: 15 June.

c. NIE-65: Soviet War Potential, 1952-55. Priority: Routine Target date: 15 September.

JAMES Q. REBER
Secretary

mid 1952
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12 March 1952

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29 February 1952

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INTELLIGENCE ADVISORY COMMITTEE

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The attached paper is submitted for consideration of the
Intelligence Advisory Committee at its next meeting, 6 March.

JAMES Q. REBER
Secretary

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IAC-D-43

29 February 1952

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IAC-D-42/14
22 May 1958

INTELLIGENCE ADVISORY COMMITTEE

EIC Recommendation for EIC-R1 Series: "Communist China's
Imports and Exports: Trade and Transport Involved"

1. The attached memorandum from the Chairman, Economic Intelligence Committee (EIC), reviews various factors bearing on the question of the continuance of the annual revision of the EIC-R1 series, "Communist China's Imports and Exports: Trade and Transport Involved," outlines an alternative procedure and recommends that the revision not be undertaken this year. All of the representatives of IAC agencies on the EIC concur in this recommendation.

2. Unless a member requests that this question be discussed by the IAC, the Secretary does not propose to place this matter on the agenda of an IAC meeting. We therefore would appreciate it if the IAC agencies would advise the IAC Secretariat [] of their concurrence or non-concurrence in the EIC's recommendation, as outlined in Dr. Guthe's memorandum, by close of business Wednesday, 4 June.

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Concurrences:

Navy - 3 June (Cdr Neff's office)
Joint Staff - 4 June (Mr. Easton)
AEC - 5 June (Dr. Reichert's office)
Army - 5 June (Col Pratt)
Air Force - 10 June (Col Woods' office)
FBI - 12 June []
State - 13 June (Mr. McAffee's office)



Secretary

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Attachment
IAC-D-42/14
22 May 1958

ECONOMIC INTELLIGENCE COMMITTEE

19 May 1958

MEMORANDUM FOR : Secretary, Intelligence Advisory Committee

SUBJECT : EIC Recommendation for the EIC-R1 Series,
"Communist China's Imports and Exports:
Trade and Transport Involved"

REFERENCES : (a) IAC-D-42, 13 February 1952
(b) IAC-D-42/12, 29 March 1956

1. On 15 May 1958, the EIC considered discontinuance of the annual revision of the subject EIC-R1 series. EIC background comments and a recommendation for action by the IAC are reported herewith.

2. The earlier need for [redacted] intelligence on Communist China's trade arose from (1) wide differences in relevant [redacted] intelligence estimates, and (2) policy considerations such as economic blockade and differential trade controls against Communist China. This agreed intelligence also facilitated the interpretation of pertinent intelligence data within the US Government. As of this time, the problems and policy considerations noted above have largely disappeared.

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4. The EIC has reviewed the current situation and, while it believed that another annual revision would be useful, it noted that the earlier need for these studies no longer obtains and that presently

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Attachment
IAC-D-42/14
22 May 1958

scheduled intelligence reports will cover the more significant aspects of the subject. The EIC concluded that the priority and magnitude of effort needed for the required coordination and research is not justified if a suitable alternative can be found.

5. In recognition of continuing community interest, the EIC has agreed that the principal conclusions and summary statements of a selected group of scheduled research studies which bear on the subject matter of the R1 series will be reviewed by the appropriate EIC sub-committee(s) and that, when published, these studies will contain forewords noting concurrences or reservations of the reviewing agencies. Under this arrangement, the EIC plans the issuance of an annual summary of these conclusions. The EIC believes that this alternative procedure will adequately fill community demands for agreed intelligence on the subject of Communist China's trade and transport in a manner consonant with current priority and policy needs.

6. The EIC therefore recommends that the revision of the EIC-R1 series not be undertaken this year. The EIC will report to the IAC a year hence regarding the suitability of alternative procedures.

/s/
OTTO E. GUTHE
Chairman

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IAC-D-42/12.1
29 March 1956

I N T E L L I G E N C E A D V I S O R Y C O M M I T T E E

EIC-R-1 Series on Communist China's Trade and Transport

1. Pursuant to a request of the Department of State, the Chairman of the Economic Intelligence Committee has asked that the recommendations in the memorandum attached to IAC-D-42/12, 20 March 1956, subject as above, be amended as follows:

Add to recommendation 1 b following the word "communities," the words: "such a conference to issue a joint statement setting forth areas of agreement and disagreement."

2. It is understood that this amendment conforms to the general understanding accompanying discussion of this matter by the Economic Intelligence Committee.

3. This matter is presently on the agenda for the meeting of the IAC on Tuesday, 3 April.

[Redacted]

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WILLIAM P. BUNDY,
Secretary

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See Separate Folders for
IAC-D-42/10 and IAC-D-42/11

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IAC-D-42/12
20 March 1956

I N T E L L I G E N C E A D V I S O R Y C O M M I T T E E

EIC-R1 Series on Communist China's Trade and Transport

1. The attached memorandum concerning the EIC-R1 series on Communist China's Trade and Transport has been received from the Chairman of the Economic Intelligence Committee.
2. This matter will be placed on the agenda of the next meeting of the IAC.



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WILLIAM P. BUNDY
Secretary

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COMMUNIST CHINA'S IMPORTS AND EXPORTS

1953

TRADE AND SHIPPING INVOLVED

EIC-R1-S3a

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JUNE 1954

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TAB C-4

NON-BLOC REGISTERED MERCHANT SHIPPING IN COMMUNIST CHINESE COASTAL TRADE a/ b/
1953.

COUNTRY OF REGISTRY	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
	NO. GR ^T											
United Kingdom	2	9	2	13	4	19	2	9	2	7	3	17
Sweden	1	4	1	4	-	-	-	-	-	-	-	-
Total	3	13	3	17	4	19	2	9	2	7	3	17

RESIDENCE OF
BENEFICIAL
OWNERS

Chinese Communist	1	5	2	13	3	15	1	5	1	5	3	15	2	13	3	15	2	7	1	5
United Kingdom	1	4	-	-	1	4	1	4	1	2	1	4	-	-	4	12	2	7	2	5
Sweden	1	4	1	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3	13	3	17	4	19	2	9	2	7	3	17	1	5	7	27	4	20	5	20

a. This table excludes vessels under 1,000 gross registered tons. This table includes only those vessels engaged solely on voyages between Chinese Communist ports during the month.

b. Gross tons are in thousands of tons.

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TAB C-3-b

NON-BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM OR ENROUTE FROM
 COMMUNIST CHINA TO NON-CHINESE PORTS IN 1953, BY COUNTRY OF REGISTRY^{a/}, b/

<u>Country of Registry</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>
United Kingdom	411	1,736
Japan	77	461
Norway	80	301
Denmark	43	197
Finland	27	141
Greece	16	107
France	13	95
Sweden	14	84
Italy	12	87
Netherlands	8	62
India	5	35
Pakistan	4	21
Total	710	3,327

a. This table excludes all ships under 1,000 gross registered tons.
 b. These totals represent voyages, each ship being counted as often
 as she was engaged in a voyage from a Communist Chinese port to a non-
 Chinese port.

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TAB C-4

NON-BLOC REGISTERED MERCHANT SHIPPING IN COMMUNIST CHINESE COASTAL TRADE ^{a/} ^{b/}
1953.

COUNTRY OF REGISTRY	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.	NO. GRT.
United Kingdom	2	9	2	13	4	19	2	9	2	7	3	17
Sweden	1	4	1	4	-	-	-	-	-	-	-	-
Total	3	13	3	17	4	19	2	9	2	7	3	17
RESIDENCE OF BENEFICIAL OWNERS												
Chinese Communist	1	5	2	13	3	15	1	5	2	13	1	5
United Kingdom	1	4	-	-	1	4	1	4	1	2	1	4
Sweden	1	4	1	4	-	-	-	-	-	-	-	-
Total	3	13	3	17	4	19	2	9	2	7	3	17

a. This table excludes vessels under 1,000 gross registered tons. This table includes only those vessels engaged solely on voyages between Chinese Communist ports during the month.

b. Gross tons are in thousands of tons.

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TAB C-3

NON-BLOC REGISTERED MERCHANT SHIPPING ENROUTE TO OR FROM COMMUNIST CHINESE PORTS/FROM OR TO
NON-CHINESE PORTS BY RESIDENCE OF BENEFICIAL OWNERS a/ b/ , 1953

NOTES: a. This table excludes vessels under 1,000 gross registered tons. This table excludes vessels involved wholly in Communist Chinese coastal trade during a month.
b. Gross tons are in thousands of tons.

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- 54 -

TAB C-3-a

NON-BLOC REGISTERED MERCHANT SHIPPING ARRIVING AT OR ENROUTE TO
COMMUNIST CHINESE PORTS FROM NON-CHINESE PORTS *a/* 1953

<u>Country of Registry</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>
United Kingdom	424	1,741
Japan	77	465
Norway	77	282
Denmark	37	169
Finland	28	149
France	16	117
Sweden	17	102
Greece	14	97
Italy	11	79
Netherlands	9	68
India	5	35
Pakistan	4	21
Panama	3	7
Total	722	3,332

a. This table excludes all ships under 1,000 gross registered tons.
These totals represent voyages, each ship being counted as often as she
was engaged in a voyage to a Chinese Communist port from a non-Chinese port.



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TABLE C-1

NON-BLOC REGISTERED MERCHANT SHIPPING INVOLVED IN COMMUNIST
CHINESE SEABORNE TRADE, BY COUNTRY OF REGISTRY AND
RESIDENCE OF BENEFICIAL OWNERS, 1953 a/ b/

	<u>Country of Registry</u>		<u>Residence of Beneficial Owners</u>	
	<u>Number</u>	<u>GRT (Thousands of Tons)</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>
United Kingdom	144	913	147	937
Japan	27	154	27	154
Greece	16	107	3	19
Norway	20	105	20	105
Finland	17	88	15	79
France	11	80	11	80
Denmark	12	76	12	76
Sweden	14	87	16	96
Italy	9	63	8	56
Netherlands	7	54	7	54
India	4	28	4	28
Pakistan	3	17	3	17
Panama	3	7	-	-
Communist China	-	-	6	22
Trieste	-	-	1	7
United States	-	-	7	49
 TOTALS:	287	1,779	287	1,779

a. This table excludes vessels under 1,000 gross registered tons.
 b. No ship appears more than once regardless of the number of voyages made during the year.

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TAB C-2

NON-BLOC REGISTERED MERCHANT SHIPPING ENROUTE TO OR FROM COMMUNIST CHINESE PORTS - FROM OR TO NON-CHINESE PORTS
BY REGISTRY as of 6/1, 1953

COUNTRY OF REGISTRY	JAN.		FEB.		MAR.		APR.		MAY		JUN.		JUL.		AUG.		SEP.		OCT.		NOV.		DEC.	
	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.	NO.	GRT.
United Kingdom	53	317	55	334	65	405	74	448	72	445	63	381	61	357	53	322	50	284	48	275	50	291	53	306
Japan	-	-	-	-	4	24	5	30	8	51	8	46	15	89	16	89	18	99	14	84	10	57	6	33
Norway	10	54	10	52	8	45	5	28	8	46	10	54	9	49	9	44	9	44	9	43	9	38	9	38
Denmark	7	39	7	40	5	28	6	39	6	39	5	50	5	30	6	40	5	37	5	37	6	41	5	31
Finland	5	25	5	27	5	27	4	22	6	33	6	35	4	25	6	37	9	50	13	69	15	79	13	69
Greece	5	32	10	70	14	97	12	83	7	47	1	5	1	5	-	-	-	-	-	-	-	-	-	-
France	1	7	3	23	5	37	6	44	9	66	8	59	7	52	6	44	6	43	6	44	7	51	6	44
Sweden	3	17	4	22	5	28	4	22	4	22	4	22	3	16	5	32	5	32	6	37	8	46	7	39
Italy	2	16	3	24	3	23	4	30	3	21	3	21	3	20	5	33	4	27	3	19	3	19	3	19
Netherlands	3	22	2	14	3	22	3	22	3	24	3	24	3	25	3	25	2	17	3	25	3	23	3	23
India	1	7	1	7	-	-	1	6	1	6	-	-	-	-	2	14	2	14	-	-	1	7	1	7
Pakistan	2	9	1	4	-	-	-	-	1	8	2	12	2	12	1	8	-	-	-	-	-	-	-	-
Panama	-	-	4	3	1	2	-	-	-	-	-	-	-	-	-	-	1	3	-	-	-	-	-	-
Total	92	545	102	620	118	738	124	774	128	808	113	691	113	680	112	686	111	650	107	633	112	652	106	609

NOTES: a. This table excludes vessels under 1,000 gross registered tons. This table excludes vessels involved wholly in Communist Chinese coastal trade during a month.

b. Gross tons are in thousands of tons.

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- 19 -

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TAB B-7

ORIGIN OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPPINGDEPARTING FROM COMMUNIST CHINESE PORTS a/1953

<u>Port of Origin</u>	<u>Number</u>	<u>GRT</u> (Thousands of Tons)	<u>Cargo Carrying Capacity b/</u> (Thousands of Tons)
<u>North China</u>			
Chinwangtao	3	17	25
Dairen	55	293	440
Shanghai	16	100	150
Taku Bar/Tientsin/Tangku	15	97	145
Tsingtao	10	57	86
<u>TOTAL</u>	<u>99</u>	<u>564</u>	<u>846</u>
<u>South China</u>			
Whampoa	5	29	44
Yulin	21	131	196
<u>TOTAL</u>	<u>26</u>	<u>160</u>	<u>240</u>
<u>GRAND TOTAL</u>	<u>125</u>	<u>724</u>	<u>1,086</u>

a. This table excludes ships under 1,000 gross registered tons. This table excludes ships engaged exclusively in Chinese Communist coastal trade. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese port.

b. Cargo-carrying capacities have been computed by multiplying gross tonnages by 1.5.

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TAB B-8

DESTINATION OF VOYAGES OF SOVIET-BLOC REGISTERED MERCHANT SHIPPINGDEPARTING FROM COMMUNIST CHINESE PORTS a/

1953

<u>Country of Destination</u>	<u>Number</u>	<u>Cargo Carrying</u>	
		<u>(Thousands of Tons)</u>	<u>Capacity b/ (Thousands of Tons)</u>
Bulgaria	1	3	4
Ceylon	4	24	37
Denmark	4	24	36
Finland	1	6	8
Netherlands	2	15	23
Pakistan	4	23	34
Poland	51	328	492
Roumania	2	9	15
Sweden	1	3	4
United Kingdom	1	7	11
USSR (Baltic)	1	4	6
USSR (Black Sea)	4	25	37
USSR (Far East)	46	238	357
West Germany	3	15	22
TOTAL	125	724	1,086

a. This table excludes ships of less than 1,000 gross registered tons. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese port.

b. Cargo-carrying capacities have been computed by multiplying gross tonnages by 1.5.

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TAB B-5

DESTINATIONS OF VOYAGES OF NON-BLOC REGISTERED MERCHANT SHIPPING
DEPARTING FROM COMMUNIST CHINESE PORTS IN a/ b/

<u>Country of Destination</u>	<u>Number</u>	<u>GR.T</u> (thousands of tons)
<u>ASIA</u>		
Hong Kong	296	824
Japan	116	566
Ceylon	38	227
Pakistan	22	118
Malaya	27	85
India	4	23
Soviet Far East	4	23
Thailand	7	20
Burma	1	7
Formosa <u>a/</u>	1	6
<u>Total</u>	<u>516</u>	<u>1,899</u>
<u>EUROPE</u>		
West Germany	52	382
United Kingdom	31	260
Poland	32	210
Netherlands	30	205
Rumania	7	48
Denmark	4	34
France	4	29
Norway	4	27
Italy	4	23
Belgium	3	23
Finland	4	18
Sweden	2	14
Trieste	2	12
<u>Total</u>	<u>179</u>	<u>1,285</u>
<u>OTHERS</u>		
Australia	3	19
United States	1	8
Mauritius	1	6
<u>Total</u>	<u>5</u>	<u>33</u>
<u>GR.T ND TOTAL</u>	<u>700</u>	<u>3,217</u>

a. This table excludes ships of less than 1,000 gross registered tons. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese port.

b. Irrespective of the number of port calls while enroute from Communist China, the last known Western port touched by a non-Communist vessel is usually considered to be the destination of the vessel.

c. Seized by Chinese Nationalists and cargo confiscated before release.

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TAB B-6

SOVIET BLOC SHIPPING DEPARTING CHINESE COMMUNIST PORTS, BY MONTHS ^{a/}
1953

	<u>TOTAL</u>			<u>SOVIET</u>			<u>POLISH</u>		
	Number	GRT (thousands of tons)	Cargo b/ Carrying Capacity (thousands of tons)	Number	GRT (thousands of tons)	Cargo b/ Carrying Capacity (thousands of tons)	Number	GRT (thousands of tons)	Cargo b/ Carrying Capacity (thousands of tons)
January	6	36	54	3	16	24	3	20	30
February	3	14	21	3	14	21	-	-	-
March	12	67	100	5	26	39	7	41	61
April	11	69	105	6	38	57	5	31	46
May	13	69	104	9	49	73	4	20	30
June	10	53	94	4	22	33	6	41	61
July	5	25	38	2	8	12	3	17	26
August	5	21	31	3	10	15	2	11	16
September	11	69	104	7	45	68	4	24	36
October	10	56	85	3	15	23	7	41	62
November	9	60	94	4	29	44	5	31	47
December	30	175	262	23	133	199	7	42	63
TOTAL	125	724	1,086	72	405	608	53	319	478

a. Vessels of less than 1,000 gross registered tons are not included in this table. Vessels have been included as many times as they have departed from Communist Chinese ports.

b. Cargo-carrying capacities have been calculated by multiplying gross tons by 1.5.

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Tab B-3

NON-BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM COMMUNIST
 CHINESE PORTS BY COUNTRY OF REGISTRY AND RESIDENCE
 OF BENEFICIAL OWNERS IN 1953 a/ b/

Country	Registry		Beneficial Owners	
	Number	GRIT (Thousands of Tons)	Number	GRIT (Thousands of Tons)
United Kingdom	406	1,665	390	1,608
Japan	77	461	77	461
Norway	84	305	84	305
Denmark	40	185	40	185
Finland	25	133	22	119
Greece	14	97	3	21
France	13	95	13	95
Sweden	13	79	16	93
Italy	12	87	11	80
Netherlands	7	54	7	54
India	5	35	5	35
Pakistan	4	21	4	21
Trieste	-	-	1	7
United States	-	-	6	42
Communist China	-	-	21	91
Total	700	3,217	700	3,217

a. This table excludes vessels under 1,000 gross registered tons.
 b. These totals represent the actual departures, each ship being counted
 as many times as she departed from a Communist Chinese port for a non-
 Chinese port.

Tab B-4

ORIGIN OF VOYAGES OF NON-BLOC REGISTERED MERCHANT SHIPPING: DEPARTING
FROM COMMUNIST CHINESE PORTS IN 1953 a/, b/, c/

<u>Port of Origin</u>	<u>Number</u>	<u>GRT</u> (thousands of tons)
<u>North China</u>		
Taku Bar/Tientsin	171	876
Shanghai	103	452
Tsingtao	71	479
Chinwangtao	60	323
Dairen	45	232
	—	—
Total	450	2,362
<u>Central China</u>		
Swatow	143	346
Foochow	14	30
Hangkong	1	4
Chuenchow	3	7
	—	—
Total	161	387
<u>South China</u>		
Whampoa/Canton	75	389
Yulin	12	73
Hoihow (Hainan Island)	2	6
	—	—
Total	89	468
GRAND TOTAL	700	3,217

a. This table excludes vessels under 1,000 gross registered tons.
 b. These totals represent the actual departures, each ship being counted as many times as she departed from a Chinese Communist port for a non-Chinese port.
 c. Irrespective of the number of port calls while in Communist China, the last known Chinese port touched by a non-Communist vessel is usually considered to be the origin of a return voyage.

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-13-

TAB B-1

MERCHANT SHIP DEPARTURES FROM COMMUNIST CHINA, BY MONTHS, 1953 a/ b/

<u>Month</u>	<u>Number</u>	<u>GRT</u> (<u>thousands</u> <u>of tons</u>)	<u>Cargo Carrying a/</u> <u>Capacity</u> (<u>thousands of tons</u>)
January	50	234	351
February	52	242	363
March	74	364	546
April	71	359	538
May	72	360	540
June	64	325	487
July	64	285	427
August	64	289	434
September	78	366	549
October	64	294	441
November	68	305	458
December	104	518	777
 Total	 825	 3,941	 5,911

- a. This table excludes vessels under 1,000 gross registered tons; it also excludes shipping between Chinese Communist ports.
- b. This table presents data on those Soviet bloc and non-Soviet bloc vessels that are known to have departed from Communist Chinese ports by voyages. Vessels have been included as many times as they have departed for non-Chinese ports.
- c. Cargo carrying capacities have been computed by multiplying gross tonnages by 1.5.

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- 44 -

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Tab B-2

NON-BLOC REGISTERED MERCHANT SHIPPING DEPARTING FROM
COMMUNIST CHINESE PORTS, BY MONTHS *a/ b/*
1953

<u>Month</u>	<u>Number</u>	<u>GR_T (Thousands of Tons)</u>	<u>Cargo-Carrying Capacity <i>g/</i> (Thousands of Tons)</u>
January	44	198	297
February	49	228	342*
March	62	297	445
April	60	290	435
May	59	290	435
June	54	262	394
July	59	261	391
August	59	268	402
September	67	297	446
October	54	238	356
November	59	245	367
December	74	343	515
<hr/>	<hr/>	<hr/>	<hr/>
Total	700	3,217	4,825

- a. This table excludes ships under 1,000 gross registered tons.
- b. This table presents data on those non-Soviet bloc flag vessels that are known to have departed from Communist Chinese ports, by voyages. Vessels have been included as many times as they have departed for a non-Chinese port.
- c. Cargo carrying capacities have been computed by multiplying gross tonnages by 1.5.

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TAB A-8

ORIGIN OF VOYAGES OF SOVIET BLOC REGISTERED MERCHANT SHIPPING

ARRIVING IN COMMUNIST CHINESE PORTS a/

<u>Country or Area of Origin</u>	<u>Number</u>	<u>GR_T (Thousands of Tons)</u>	<u>Cargo Carrying Capacity b/ (Thousands of Tons)</u>
Ceylon	6	34	52
Poland	57	309	463
Rumania	4	22	33
USSR (Black Sea)	1	6	9
USSR (Far East)	58	370	555
East Germany	2	5	7
Total	128	746	1,118

a. This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacities have been computed by multiplying gross tonnages by 1.5.

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- 12 -

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TAB A-9

DESTINATION OF VOYAGES OF SOVIET BLOCK REGISTERED MERCHANT SHIPPING
ARRIVING IN COMMUNIST CHINESE PORTS ^{a/}
1953

<u>Port of Destination</u>	<u>Number</u>	<u>GR_T (Thousands of Tons)</u>	<u>Cargo Carrying Capacity ^{b/} (Thousands of Tons)</u>
<u>North China</u>			
Chinwangtao	6	37	55
Dairen	46	270	395
Shanghai	15	97	145
Taku Bar/Tientsin	34	188	282
Tsingtao	<u>7</u>	<u>42</u>	<u>62</u>
Total	108	634	940
<u>South China</u>			
Whampoa	19	106	158
Yulin	<u>1</u>	<u>5</u>	<u>8</u>
Grand Total	128	745	1105

a. This table excludes vessels under 1,000 gross registered tons. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo-carrying capacities have been computed by multiplying gross tonnages by 1.5.

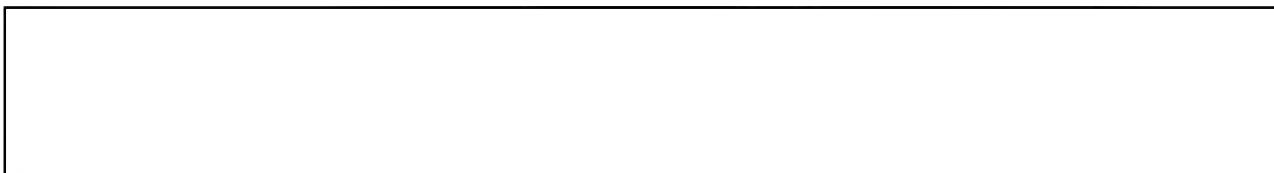
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TAB A-6 (Cont'd)

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- b. Net registered tons.
- c. Negligible.

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TAB A-7

SOVIET BLOC SHIPPING ARRIVALS IN CHINESE COMMUNIST PORTS, BY MONTHS a/ 1953

Number	TOTAL		SOVIET c/		POLISH	
	GRT (thou- sands)	Cargo b/ Carrying Capacity (thousands)	Number	GRT (thou- sands)	Cargo b/ Carrying Capacity (thousands)	GRT (thou- sands of tons)
January	6	29	43	6	29	43
February	23	144	215	16	102	153
March	10	60	90	5	26	39
April	6	27	41	3	15	23
May	10	59	89	4	22	33
June	5	30	46	1	5	8
July	5	32	47	2	11	16
August	8	38	57	6	29	43
September	8	45	68	2	15	22
October	8	54	81	2	17	25
November	12	71	106	8	42	63
December	27	156	234	22	130	194
TOTALS	128	745	1,118	77	442	663
	—	—	—	—	—	51
	—	—	—	—	—	304
	—	—	—	—	—	445

a. Vessels of less than 1,000 gross registered tons are not included in this table. All Soviet and Polish ships are owned and operated by their respective governments. Vessels have been included as many times as they have arrived from non-Chinese ports.

b. Cargo carrying capacity is calculated by multiplying gross tons by 1.5.

c. It is believed that the Soviet figures include some arrivals at Dairen for docking and repairs.

TAB A-5

DESTINATION OF VOYAGES OF NON-BLOC REGISTERED MERCHANT
 SHIPPING ARRIVING IN COMMUNIST CHINESE PORTS ^{a/}
 1953

<u>Port of Destination</u>	<u>Number</u>	<u>GR^T</u> (Thousands of Tons)
<u>North China</u>		
Tientsin/Taku Bar/Tangku	172	931
Shanghai	95	440
Tsingtao	55	369
Chinwangtao	62	341
Dairen	34	188
Unknown North Chinese Ports	<u>2</u>	<u>4</u>
Total	420	2273
<u>Central China</u>		
Swatow	151	342
Foochow	26	61
Hongkong	2	6
Hungwha	1	2
Chuenchow	1	2
Total	181	413
<u>South China</u>		
Canton/Whampoa/Pearl River	85	445
Yulin (Hainan Island)	7	46
Hoihow (Hainan Island)	<u>5</u>	<u>15</u>
Total	97	506
GRAND TOTAL	698	3192

a. This table excludes vessels under 1,000 gross registered tons.
 Vessels have been included as many times as they have arrived from non-Chinese ports.

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TAB. A-6

SUMMARY OF SHIPPING (OTHER THAN OCEAN-GOING OVER 1,000 GRT) CLEARING HONG KONG FOR COMMUNIST CHINA OR MACAO ^{a/}

1ST QUARTER			2ND QUARTER			3rd QUARTER			4th QUARTER			TOTAL	
Number	NRT b/ (Thousands of tons)	Number	NRT (Thousands of Tons)	Number	NRT (Thousands of Tons)	Number	NRT (Thousands of Tons)	Number	NRT (Thousands of Tons)	Number	NRT (Thousands of tons)	Carrying Capacity (Thousands of tons)	
<u>Merchant Vessels Under 500 Net Registered Tons</u>													
<u>To China</u>													
British flag	25	7	26	8	28	8	29	9	108	31	59	1	
Chinese flag	1	9/	-	-	-	-	1	9/	2	2	1	3	
Total	26	7	26	3	28	8	30	9	110	32	60	3	
<u>To Macao</u>													
(Details not available. Total believed small)													
<u>River Steamers</u>													
<u>To China</u>													
British flag	289	250	295	240	260	245	293	326	1137	1060	33	2	
Chinese flag	15	2	24	2	6	1	12	1	57	6	2		
<u>Junks</u>													
<u>To China</u>	1732	124	1350	107	1470	116	1560	113	6112	460	644	282	
<u>To Macao</u>	864	59	834	50	828	49	685	43	3211	202			
<u>Launches</u>													
<u>To China</u>	598	14	541	13	442	12	485	11	2066	50	10	1	
<u>To Macao</u>	50	1	51	1	32	1	39	2	172	5			
<u>Total</u>													1092

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TAB A-3

NON-BLOC REGISTERED MERCHANT SHIPPING ARRIVING IN COMMUNIST
CHINESE PORTS, BY COUNTRY OF REGISTRY AND RESIDENCE OF
BENEFICIAL OWNERS a/ 1953

<u>Country of Registry</u>			<u>Residence of Beneficial Owners</u>	
	<u>Number</u>	<u>(Thousands of Tons)</u>	<u>Number</u>	<u>GRT (Thousands of Tons)</u>
United Kingdom	411	1,662	390	1,575
Japan	77	465	77	465
Norway	76	275	76	275
Denmark	37	169	37	169
Finland	26	140	23	126
Greece	14	97	2	14
France	13	95	13	95
Sweden	13	81	16	95
Italy	11	79	12	86
Netherlands	8	62	8	62
India	5	35	5	35
Pakistan	4	21	4	21
Trieste	-	-	1	7
Panama	3	7	-	-
Communist China	-	-	27	114
United States	-	-	7	49
<hr/>				
TOTALS:	698	3,188	698	3,188

a. This table excludes vessels under 1,000 gross registered tons.
 These totals represent the actual arrivals, each ship being counted as many times as she arrived in a Chinese port from a non-Chinese port.

- 36 -

TAP A-4

ORIGIN OF VOYAGES OF NON-BLOC REGISTERED MERCHANT SHIPPING
ARRIVING IN COMMUNIST CHINESE PORTS a/ 1953

<u>Country of Origin</u>	<u>Number</u>	<u>GR T</u> (Thousands of Tons)	<u>Cargo-Carrying</u> <u>Capacity b/</u> (Thousands of Tons)
<u>ASIA</u>			
Hong Kong	330	1,007	1,510
Japan c/	176	973	1,459
Indo-China	9	62	93
Malaya	17	51	76
Soviet Far East	8	44	66
Thailand	10	29	44
Formosa	3	24	36
India	3	17	26
Pakistan	1	8	12
S. Korea	1	7	10
TOTALS:	558	2,222	3,332
<u>EUROPE</u>			
Poland	37	209	314
United Kingdom	26	205	307
West Germany	24	189	284
Netherlands	12	89	134
France	8	59	88
Belgium	7	48	72
Finland	7	47	71
Sweden	5	35	52
Norway	5	31	47
Roumania	3	17	26
Denmark	2	17	26
Italy	2	14	22
Trieste	2	10	15
TOTALS:	140	970	1,458
GRAND TOTALS:	698	3,192	4,790

a. This table excludes vessels under 1,000 gross registered tons.
 Vessels have been included as many times as they have arrived from
 non-Chinese ports.

b. Cargo-carrying capacities have been computed by multiplying
 gross tonnages by 1.5.

c. Including one voyage originating in Okinawa.

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TAB A-1

MERCHANT SHIP ARRIVALS IN COMMUNIST CHINA, BY MONTHS * 1953

<u>Month</u>	<u>Number</u>	<u>GR^T</u> (Thousands of Tons)	<u>Cargo-Carrying Capacity ϕ</u> (Thousands of Tons)
January	55	245	368
February	78	401	602
March	66	325	488
April	65	307	460
May	73	366	548
June	60	292	438
July	69	324	487
August	63	295	443
September	71	318	477
October	67	315	472
November	73	345	518
December	86	403	605
TOTALS:	826	3,937	5,905

* This table excludes ships under 1,000 gross registered tons. This table presents data on those Soviet Bloc and non-Bloc vessels that are known to have arrived in Communist Chinese ports, by voyages. Vessels have been included as many times as they have arrived from non-Chinese ports. Data on coastal shipping are contained in Tables C-4 and C-6.

ϕ Cargo-carrying capacities have been computed by multiplying gross tonnages by 1.5.

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TAB A-2

NON-BLOC MERCHANT SHIPPING ARRIVING IN COMMUNIST CHINESE
PORTS, BY MONTHS * 1953

<u>Month</u>	<u>Number</u>	<u>GRT</u> (Thousands of Tons)	<u>Cargo-Carrying</u> <u>Capacity ϕ</u> (Thousands of Tons)
January	49	217	325
February	55	257	386
March	56	265	398
April	59	279	419
May	63	307	460
June	55	261	392
July	64	293	439
August	55	257	385
September	63	273	409
October	59	261	391
November	61	274	412
December	59	247	370
<hr/>			
TOTALS:	698	3,191	4,787

* This table excludes ships under 1,000 gross registered tons.
 This table presents data on those non-Bloc vessels that are
 known to have arrived in Chinese Communist ports by voyages.
 Vessels have been included as many times as they have arrived
 from non-Chinese ports.

ϕ Cargo-Carrying capacities have been computed by multiplying gross
 tonnages by 1.5.

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TABLE 14
SHIPPING - SUMMARY OF SOVIET BLOC MERCHANT FLEET

31 December 1953 a/

	<u>Combination b/</u>		<u>Freighters</u>		<u>Tankers</u>		<u>Miscellaneous</u>		<u>TOTAL</u>	
	Number	GRT (Thousands of Tons)	Number	GRT (Thousands of Tons)	Number	GRT (Thousands of Tons)	Number	GRT (Thousands of Tons)	Number	GRT (Thousands of Tons)
USSR	68	315	482	1,491	35	137	23	84	612	2,027
Poland	3	23	59	215	3	21	5	9	70	269
Communist China	36	85	57	162	10	14	1	3	104	264
Bulgaria	-	-	4	10	-	-	-	-	4	10
Czechoslovakia	-	-	1	6	-	-	-	-	1	6
Hungary	-	-	2	2	-	-	-	-	2	2
Rumania	3	16	4	15	-	-	1	2	8	33
TOTAL	110	439	609	1,902	48	172	30	98	801	2,611

a. Vessels of less than 1,000 gross registered tons are excluded.
 b. Carries passengers and freight.

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APPENDIX

EXPLANATORY NOTES

1. Definitions

a. Beneficial Owner

The term beneficial owner is not capable of concise legal definition, since it is of wide interpretation, but it can be explained briefly as meaning the owner who obtains the benefit from any voyage, charter, sale, or other transaction. (See particularly Sections 57 and 58 of the Merchant Shipping Act of 1894).

It is believed that the Lloyd's Confidential Index regarding beneficial ownership cannot be relied upon as showing in particular cases all the beneficial interests which there may be, since some of these may not be registerable. It is believed, however, that the summary data contained in the appendices are reasonably accurate and for the greater part have been confirmed by collateral information. Moreover, in the examination of questions of the beneficial ownership of individual vessels, unless there is information to the contrary, Lloyd's Confidential Index offers prima facie evidence of beneficial ownership.

No determination has been made in this paper concerning the possible responsibility of beneficial owners under the shipping control statutes and regulations of the US or any other nation.

b. Cargo-Carrying Capacity

Cargo-carrying capacities have been calculated by multiplying the gross registered tons by 1.5 and are expressed in thousands of long tons.

2. Chinese Communist Merchant Fleet.

The Chinese Communist merchant fleet (vessels over 1,000 gross registered tons) is engaged almost entirely in coastal trade, and its activities are not covered in the Appendix. The composition of the Chinese Communist merchant fleet is summarised in Table 14.

3. Statistical Inconsistencies

Minor differences between column totals are due to rounding.

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TABLE 13

SHIPS AND SERVICES - ACQUISITIONS BY THE SOVIET BLOC FROM
NON-BLOC COUNTRIES 1953GR^TI. Soviet Bloc Purchases, Second-hand ships:

WSPOLPRACA, Polish Tanker (ex-Finnish NESTE) 6,208

II. Soviet Bloc Deliveries, new ships, from
Non-Communist Shipyards:

Denmark to USSR	TUAPSE (Tkr)	9,051
	REFRIGERATOR NO. 6	1,679
	REFRIGERATOR NO. 7	1,679
	REFRIGERATOR NO. 8	1,679
	4 ships	14,188
Finland to USSR	ARCHANGELSK	5,660
	KARADAG (Tkr)	1,143
	MIRGOROD	2,491
	PJATIGORSK	2,491
	UFA (Tkr)	1,169
	TSCHARDSHOV (Tkr)	1,081
	RJASHSK	2,491
	USCHUM (Tkr)	1,169
	BREST	2,491
	PINSK	2,499
	10 ships	22,687
Sweden to USSR	OKEAN (Tkr)	1,147
	UHTA (Tkr)	1,145
	2 ships	2,292

III. Soviet Bloc Ships Under Repair, Non-Communist Shipyards

Name	Flag	GR ^T	Arrived *	Departed *
<u>Belgium:</u>				
PRACA (Tanker)	Polish	8,207	7. 7. 52	13. 7. 53
KOLNO	Polish	2,487	23. 2. 53	3. 6. 53
KILINSKI	Polish	7,697	22. 1. 53	11. 4. 53
KARPATY (Tanker)	Polish	6,487	17. 2. 53	20. 8. 53
BEREZINA	Roumanian	3,087	16.11. 53	
FREDERICK ENGLES	Roumanian	3,972	20.10. 53	25.12. 53

* These dates are given in the following sequence:
day; month; year.

TABLE 13 (Cont'd)

III. Soviet Bloc Ships Under Repair, Non-Communist Shipyards (Cont'd)

Name	Flag	GRT	Arrived *	Departed *
<u>Denmark</u>				
GDYNIA (now Rus. STAVROPOL) *	Polish	2,780	4.11.52	28.7.53
POZNAN	Polish	2,017	16.1.53	17.2.53
SIVASH	Russian	2,282	15.4.53	29.5.53
POKOU	Polish	4,958	30.6.53	15.8.53
KAPITAN CASTELLO	Russian	2,295	14.4.53	30.4.53
SZCZECIN (now Rus. TAGANROG) *	Polish	2,792	21.6.53	18.11.53
KIELCE	Polish	2,352	13.10.53	31.10.53
<u>Italy:</u>				
KOLKHOSEN	Russian	7,148	14.3.53	30.4.53
JEAN JAURES	Russian	7,176	1.3.53	25.4.53
CHIPKA	Bulgarian	2,304	5.11.53	
A. ANDREEV	Russian	2,847	2.11.52	
SOVETSKAYA GAVAN	Russian	7,176	21.2.53	16.5.53
MOGILEV	Russian	1,057	12.8.52	30.3.53
ASKOLD	Russian	7,176	25.2.53	18.4.53
DIMITRI POZHARSKY	Russian	6,267	1.12.53	
<u>Japan</u>				
PETROZAVOSK	Russian	3,393	30.8.53	
KOLYMA	Russian	1,528	14.8.53	
SEVZAPLES	Russian	3,974	3.7.53	
<u>Netherlands</u>				
KORSAKOV	Russian	2,770	1.8.52	
TAMBOV	Russian	2,902	12.12.52	12.3.53
TUNGUS	Russian	7,194	5.12.52	9.1.53
ONEGA	Russian	1,662	14.12.52	24.2.53
VYGOZERO	Russian	2,282	3.4.53	3.6.53
KALININGRAD	Russian	6,214	19.8.52	27.6.53
VOLGA	Russian	2,847	6.10.53	
VTORAYA PYATILETKA	Russian	7,176	24.4.53	12.6.53
MENDELEEV	Russian	5,976	30.12.53	
<u>Trieste</u>				
CHRISTO SMIRNENSKY	Bulgarian	1,629	30.5.53	9.10.53
<u>U.K.</u>				
GENERAL BEM	Polish	5,011	16.12.52	26.9.53
MAZURY	Polish	909	6.4.53	28.4.53
MIKOŁAJ REJ	Polish	5,614	18.5.53	6.7.53
LECH	Polish	1,568	19.3.53	25.4.53
BATORY	Polish	14,287	11.5.53	20.6.53
HEL	Polish	1,076	4.5.53	30.6.53
VILNIUS	Russian	4,956	12.1.53	24.1.53
<u>West Germany</u>				
WARYNSKI	Polish	4,341	24.1.53	26.2.53
BIALYSTOK	Polish	7,173	26.5.53	30.6.53
PREZYDENT GOTTLWALD	Polish	5,058	28.5.53	4.6.53
CZECH	Polish	3,649	23.7.53	3.9.53
PRZYJAZN NARODOW	Polish	8,880	28.7.53	9.9.53

* These dates are given in the following sequence: day, month, year.
 Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

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TABLE 11

SHIPPING - NON-BLOC MERCHANT VESSELS ENGAGED IN SCHEDULED

VOYAGES, EUROPE-CHINA, BY OWNER AND BY REGISTRY

ARRIVING DURING 1953

<u>Company</u>	<u>Flag</u>	<u>Number</u>	<u>Vessels</u>	<u>GRT</u>
A. Holt & Co., Liverpool	British	25	204,977	
Glen Line Ltd., London				
Vereenigde Nederlandsche Shipping Co., The Hague, Netherlands.	Dutch	6	46,599	
A/S Det Ostasiatiske Kompagni, Copenhagen.	Danish	7	59,663	
Wilh. Wilhelmsen, Oslo	Norwegian	7	46,811	
Peninsular & Oriental Steam Navigation Co., London.	British	7	63,880	
A/B Svenska Ostasastiska Kompaniet, Gothenburg.	Swedish	4	25,609	
Compagnie des Messageries Maritimes, Paris.	French	1	8,150	
		57	455,689	

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TABLE 12
SHIPPING - NON-BLOC VESSELS ON CHARTER TO
THE SOVIET BLOC* 1953

<u>Country of Registry</u>	<u>Number of vessels</u>	<u>Gross Registered Tonnage</u>	<u>Percent. of Total Gross Tonnage</u>
ARGENTINE	1	7,858	0.3
COSTA RICAN	4	21,785	0.9
DANISH	31	91,886	3.9
EGYPTIAN	2	5,609	0.2
FINNISH	49	210,480	8.9
FRENCH	6	64,631	2.7
GREEK	27	131,678	5.6
INDIAN	6	43,245	1.9
ITALIAN	69	346,532	14.9
JAPANESE	5	29,562	1.3
LIBERIAN	3	21,843	0.9
NETHERLANDS	3	14,369	0.6
NORWEGIAN	93	371,930	16.0
PAKISTANI	3	16,832	0.7
PANAMANIAN	25	123,559	5.3
SWEDISH	53	157,712	7.6
TURKISH	9	32,199	1.4
UNITED KINGDOM	94	571,789	24.3
W. GERMANY	26	61,827	2.6
 TOTALS:	509	2,325,326	100.0

* This table excludes vessels under 1,000 gross registered tons.

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Table 9

Shipping - Summary of Arrivals in Communist China a/
1953

Arrivals in Communist China from Ports other than those of Communist China	Non-Bloc Shipping			Soviet Bloc Shipping			Total	
	Number (Units)	Cargo-Carrying Capacity (Thou- sands of Tons)b/	Cargo-Carrying Capacity as Per- cent of Total	Number (Units)	Cargo-Carrying Capacity (Thou- sands of Tons)b/	Cargo-Carrying Capacity as Per- cent of Total	Number (Units)	Cargo-Carrying Capacity (Thou- sands of Tons)b/
January - March	160	1,110	76	39	349	24	199	1,459
April - June	177	1,271	88	21	175	12	198	1,446
July - September	182	1,234	88	21	172	12	203	1,406
October - December	179	1,173	74	47	422	26	226	1,595
Total	698	4,787		128	1,118		826	5,900

a. This table excludes vessels under 1,000 gross registered tons.

b. Cargo-carrying capacities have been computed by multiplying gross tons by 1.5.

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Table 10

Shipping - Summary of Involvement in Chinese Communist Trade ^{b/}

	Non-Bloc Overseas				Non-Bloc Coastal				Non-Bloc Total				Soviet Bloc		Grand Total	
	Number (Units)	GRT (Thou- sand Tons)	Percent of Total GRT (Thousand Tons)	Number (Units)	GRT (Thou- sand Tons)	Percent of Total GRT (Thousand Tons)	Number (Units)	GRT (Thou- sand Tons)	Percent of Total GRT (Thousand Tons)	Number (Units)	GRT (Thou- sand Tons)	Percent of Total GRT (Thousand Tons)	Number (Units)	GRT (Thou- sand Tons)	Percent of (Thousand Tons)	GRT (Thou- sand Tons)
January	92	545	67	3	13	2	95	558	69	43	249	31	138	807		
February	101	617	67	3	17	2	104	634	69	48	284	31	152	918		
March	118	738	77	4	19	2	122	757	79	36	196	21	158	953		
April	124	774	76	2	9	1	126	783	77	39	231	23	165	1014		
May	128	808	79	2	7	1	130	815	80	35	210	20	165	1025		
June	113	691	76	3	17	2	116	708	78	34	200	22	150	908		
July	113	680	80	1	5	1	114	685	81	27	152	19	141	837		
August	112	688	79	7	27	3	119	715	82	28	159	18	147	874		
September	110	647	74	4	20	2	114	667	76	35	204	24	149	871		
October	107	633	73	5	20	2	112	653	75	36	210	25	148	863		
November	112	652	73	7	22	2	119	674	75	38	219	25	157	893		
December	106	609	65	5	17	2	111	626	67	53	316	33	164	942		

a. This table excludes merchant ships under 1,000 gross registered tons. For interpretation of numbers that are included on this page, see the definition of the term "involvement" in the Appendix. A ship may appear in more than one month provided she is "involved," but no ship appears more than once in any given month regardless of the number of voyages made.

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TABLE 7
Chinese Communist Exports to Hong Kong (value)
1953
 (in thousands of U.S. dollars)

	<u>Jan.-June</u>	<u>July-Dec.</u>	<u>Total</u>
Swine	6,457	5,139	11,596
Fruits and Vegetables	13,322	12,254	25,576
Egg Products	5,029	3,951	8,980
Other Foodstuffs	8,805	8,689	17,494
Bristles	2,361	2,343	4,704
Textile Fibres	2,873	4,852	7,725
Other Crude Materials	14,070	8,881	22,951
Tung Oil	3,511	2,009	5,520
Other animal and vegetable oils	10,557	948	11,305
Textile products	5,019	5,791	10,810
Miscellaneous	9,470	6,796	16,266
Total	81,274	61,653	142,927

[redacted]

- 24 -

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COMMODITY COMPOSITION OF COMMUNIST CHINA'S EXPORTS TO NON-COMMUNIST
COUNTRIES OTHER THAN HONG KONG

<u>Commodity</u>	<u>Tons</u> (000)
Coal	390
Rice	370
Soya beans	160
Salt	120
Cereals	60
Vegetable oil	58
Peanuts and cake	50
Sesame seed	40
Frozen eggs	16
Hemp seed	10
Bean cake	7.5
Pork	4
Tobacco	2
Wood oil	.5
Miscellaneous	15
<hr/>	
TOTAL:	1,303
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Table 6

Chinese Communist Exports to Non-Communist Countries (Value)
1953

Countries	Thousands of US Dollars			
	Jan-Jun	Jul-Sep	Oct-Dec	Total
<u>Europe and Western Hemisphere a/</u>				
Canada	992	50	50*	1,092*
United States	487	63	50*	600*
Belgium-Luxembourg	4,935	1,075	600	6,610
Denmark	1,682	9	252	1,701*
Finland	1,040	263	600	1,553*
France	5,923	2,539	2,960	11,462*
West Germany	15,555	9,666	8,000	35,221*
Italy	4,003	2,161	500	8,164*
The Netherlands	11,437	1,032	1,500*	13,469*
Norway	1,031	1,577	1,600*	4,208*
Sweden	512	574	300*	1,112*
Switzerland	9,153	4,109	23,057*	16,862*
United Kingdom	11,520	8,034	10,520*	30,075
Less c.i.f. charges, excluding Canada and US (at 15 percent)(b)	-10,019	4,655	4,484*	14,158*
Subtotal (15 countries)	58,251	26,497	25,506	110,254*
<u>Near East, Asia, and Oceania^{a/}</u>				
Australia	2,182	1,028	1,200*	4,410*
Ceylon	20,469	13,187	8,108*	41,764*
Egypt	239	245	200*	684*
India	1,476	315	300*	2,091*
Indochina	4,000*	2,000*	2,000*	8,000*
Indonesia	910	818	500*	2,228*
Japan	12,584	8,627	8,488	29,699*
Malaya	18,958	6,993	6,500*	32,451*
French Morocco	4,594	1,718	150*	6,462*
Pakistan	1,437	596	1,362*	3,395*
The Philippines	1,299	108	400*	1,807*
Taiwan	2,936	1,316	1,500*	5,752*
Macao (c)	5,000	2,500	2,500*	10,000
Less c.i.f. charges, excluding the Philippines (at 5 percent)(b)	-3,739*	-1,977	-1,642*	7,452*
Subtotal (11 countries)	72,345	37,483	33,291	143,106*
Hong Kong d/	40,437	14,581	16,446	71,464
Total	171,033	78,561	73,518	323,112
	=====	=====	=====	=====

Table 6

Chinese Communist Exports to Non-Soviet Bloc Countries (Value)
1953
(Continued)

* Estimates based on incomplete data.

- a. Figures for countries of Western Europe and Western Hemisphere are based on the assumption of a two months' voyage. They represent recorded imports for March 1953 through February 1954. Figures for Hong Kong, the Philippines, Japan, Taiwan, and Indo-china are recorded imports for the months shown in the table. Figures for remaining countries are based on a one-month voyage, or imports of February 1953 through January 1954.
- b. Data for Canada, the U.S., and the Philippines are recorded in *f.o.b.* terms; hence no deduction is required from these figures. All other countries record their imports in *c.i.f.* terms.
- c. A figure for Macao's imports from Communist China is available only on an annual basis. The figure has been prorated evenly over the year.
- d. Hong Kong's recorded imports from Communist China have been reduced by one-half to avoid duplication arising from the prevalent practice in many countries of recording imports from Hong Kong of merchandise of Chinese origin as imports from China. In these cases goods exported by Communist China are recorded as imports by both Hong Kong and by the country of final destination. This adjustment of one-half was based on an examination of the trade data of the countries involved.

-19-

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Table 4
 Commodity Composition of
 Recorded Chinese Communist Imports from Hong Kong (Value)
 1953
 (in thousands of U.S. Dollars)

<u>Commodity category</u>	<u>Jan - Jun</u>	<u>July - Dec</u>	<u>Total</u>
Edible fats and oils	210	228	348
Other Foods, beverages and tobacco	425	331	756
Wool	1,905	871	2,776
Other Agricultural raw materials	1,816	1,718	3,534
Dyeing, tanning, and colouring materials	8,625	6,354	14,979
Medicines and pharmaceutical products	23,841	6,087	29,928
Chemical fertilizers	4,968	4,025	8,993
Other Chemicals	3,937	2,313	6,250
Metal manufactures	2,965	2,442	5,407
Electrical machinery, apparatus and appliances	1,841	1,395	3,236
Textile machinery	1,308	437	1,745
Transport equipment	112	78	190
Other machinery	2,282	661	2,943
Professional, scientific, and controlling instruments and photographic and optical goods	3,770	1,375	5,145
Total	60,627	29,476	90,103

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TABLE 5

Chinese Communist and Macao Recorded Imports from Hong Kong (Volums)JANUARY - DECEMBER, 1953

Thousands of Long Tons

Method of Transport	JANUARY - JUNE			JULY - DECEMBER			JANUARY - DECEMBER		
	China	Macao	Total	China	Macao	Total	China	Macao	Total
Ocean-going vessels	65	a)	65	70	1	71	135	1	136
River-steamers	a)	15	15	a)	21	21	a)	36	36
Junks	30	29	59	27	21	48	57	51	107
Launches	a)	a)	a)	a)	a)	a)	a)	a)	a)
<u>Total water-borne</u>	95	44	139	97	43	147	191	88	279
Rail	20	a)	20	11	a)	11	31	a)	31
Road	2	a)	2	2	a)	1	3	a)	3
<u>Total water-borne and Land-borne</u>	116	44	161	109	43	152	225	88	312

a) = Nil or negligible.

Minor discrepancies in totals are due to rounding.

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NOTE: This table, [redacted] shows all recorded traffic from Hong Kong to China and Macao, including (1) goods exported from Hong Kong and (2) goods exported to China from third countries via Hong Kong and transshipped there. It does not include transit cargo, i.e. cargo arriving in a ship calling at Hong Kong en route for China but not transshipped in the colony.

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-17-

Table 2

Summary of Communist China's Imports from
Non-Communist Countries, Recorded and Unrecorded

(in millions of U.S. dollars)

Recorded Imports (From Table 1)	280
Unrecorded Imports	<u>100</u>
Total, Recorded and Unrecorded	<u>380</u>

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-18-

Table 3

Commodity Composition of Communist China's Known Seaborne Imports
 from Non-Communist Countries other than Hong Kong and Macao
 (in metric tons)

<u>Commodity</u>	<u>From Western Europe/a</u>	<u>From Near East, South and Southeast Asia/e</u>	<u>From Japan/a</u>	<u>Total</u>
Raw cotton		10,700 b		10,700
Crude rubber		68,400		68,400
Petroleum products	1,100			1,100
Paper and pulp	51,000			51,000
Textiles (including gunny bags)	300	1,000		1,300
Wool	3,100	1,200 c		4,300
Chemical fertilizer	183,800		27,900	211,700
Sodium compounds	36,700			36,700
Other chemicals	4,100		100	4,200
Pharmaceuticals	400			400
Coconut oil		10,200 d		10,200
Machinery and instruments	3,000		1,700	4,700
Iron and steel	42,600	400	4,400	43,000
Miscellaneous	400			4,800
Unknown	14,800	e		14,800
Total	341,300	91,900	34,100	467,300

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- 15 -

Table 1

Recorded* Chinese Communist Imports from
Non-Communist Countries (Value) 1953

Countries	Thousands of US Dollars		
	Jan-Jun	Jul-Dec	Total
<u>Europe and Western Hemisphere^{a/}</u>			
Belgium-Luxembourg	1,266	37	1,303
Brazil	2	470	472
Denmark	99	232	331
Finland	4,754	3,282	8,036
France	8,839	4,813	13,652
Italy	4,571	946	5,517
The Netherlands	2,256	1,019	3,275
Norway	2,469	24	2,493
Sweden	2,596	376	2,972
Switzerland (c.i.f.) ^{b/}	6,459	4,836	11,295
United Kingdom	13,354	7,562	20,916
West Germany	11,159	10,813	21,972
Adjustment for c.i.f. (10 percent, except for Switzerland)	5,136	2,957	8,093
Subtotal	<u>62,260</u>	<u>37,367</u>	<u>100,327</u>
<u>Near East, Asia and Oceania^{a/}</u>			
Australia	1,143	3,831	4,974
Ceylon	26,797	26,384	53,181
Egypt	3,056	7,347	10,403
Hong Kong	60,705	29,398	90,103
India	1,668	702	2,370
Indonesia	2	26	28
Japan	2,266	2,277	4,543
Malaya	50	1,674	1,724
Pakistan	23	3,532	3,555
Adjustment for c.i.f. (5 percent)	4,785	3,759	8,544
Subtotal	<u>100,495</u>	<u>78,930</u>	<u>179,425</u>
Total Recorded Imports	<u>163,455</u>	<u>116,297</u>	<u>279,752</u>

*As derived from published statistics of the non-Communist countries concerned.

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- 16 -

Table 1

- a. Figures for countries of Western Europe and the Western Hemisphere are based on the assumption of a two month voyage. They represent recorded exports for November 1952 through October 1953. Figures for Egypt, India, Pakistan, Malaya, Australia, and Ceylon are based on the assumption of a one month voyage, i.e., they represent recorded exports for December 1952 through November 1953. Figures for the remaining countries are exports for the months shown on the table. All statistics are converted at official exchange rates except Hong Kong figures which were converted at an average free market rate of HK\$ = US\$ 0.16675.

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b. [Redacted]

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- 13 -

ANNEXDevelopments During the First Quarter of 1954

There were no striking trends evident in Communist China's foreign trade during the first quarter of 1954. Such information as is presently available is summarised below.

A. Recorded Imports from Non-Communist Countries

Recorded imports from non-Communist countries during the first quarter of 1954 are estimated at \$63 million -- a rate substantially below that of the first quarter of 1953, and 10 per cent. below the quarterly average for 1953 but about equal to the rate of trade in the last half of 1953. (We have no information available for estimating any trend in unrecorded trade during the first quarter.)

Recorded imports from Western Europe were about 25 per cent. below the average rate for 1953. Those from the U.K., France, Switzerland, and Italy were lower, and those from Western Germany and Finland were about 10 per cent. higher. The partial information available on the commodity composition of this trade indicates that chemical fertiliser, other chemicals (including dyestuffs and pharmaceuticals) and wool continued to figure largely at more or less the same levels; that recorded imports of machinery and metals declined; while the general category of instruments, equipment and apparatus assumed increased importance.

Recorded imports from Hong Kong increased somewhat from the low level of the latter half of 1953 but remained slightly below the quarterly average for that year as a whole. They consisted mainly of dyestuffs, fertiliser and pharmaceuticals (\$13.6 million), and machinery, instruments and equipment (\$1.4 million). Ceylon supplied 14,000 tons of crude rubber, about the average quarterly rate for 1953. Imports from Pakistan (presumably cotton) rose to a level well above that for 1953.

The information at present available on the value of Communist China's recorded imports during the first quarter of 1954 is summarised below:

Countries	(In Thousand U.S. dollars)		
	Year 1953	Jan-March 1953	Jan-March 1954
<u>Europe and Western Hemisphere</u>			
Belgium-Luxembourg	1,303	27	107
Brazil	472	1	600
Denmark	331	37	74
Finland	8,036	4,691	2,253
France	13,652	3,274	1,638
Italy	5,517	2,251	363
Netherlands	3,275	62	736
Norway	2,493	1,622	18
Sweden	2,972	1,203	266
Switzerland (c.i.f.)	11,295	1,820	1,974
UK	20,916	10,019	3,973
Western Germany	21,972	2,484	6,343
Adjustment for c.i.f. (10 per cent. excluding Switzerland)	8,093	2,570	1,637
Sub-total	100,327	30,091	19,982

- 14 -

Countries	(In Thousand U.S. dollars)		
	Year 1953	Jan-March 1953	Jan-March 1954
<u>Near East, Asia and Oceania</u>			
Australia	4,974	318	147
Ceylon	53,181	14,687	11,041
Egypt	10,403	2,256	2,601 ^{xx}
India	2,370	1,072	618 ^{xx}
Indonesia	28	1	-
Hong Kong	90,103	42,188	17,985
Japan	4,543	576	2,248
Malaya	1,724	-	464 ^{xx}
Pakistan	3,555	7	5,986 ^{xx}
Adjustment for o.i.f. (5 per cent.)	8,544	3,055	2,054
Sub-total	179,425	64,160	43,144
Total Recorded Trade	279,752	94,251	63,126

^x No data available. Figure taken at the quarterly average for 1953.

^{xx} Based on partial data for the first quarter of 1954.

B. Volume of Shipping Engaged in the China Trade during the First Quarter of 1954

1. Vessels of Non-Bloc Flag

During the first quarter of 1954 205 non-Bloc ships totalling 867,242 GRT arrived in Communist China from overseas as compared with 156 non-Bloc ships of 734,990 GRT that arrived during the first quarter of 1953. This volume of shipping is the highest quarterly total of arrivals in China since the beginning of hostilities in Korea. It is significant that the volume of tonnage arriving in March showed a considerable increase over January, reflecting a trend which is expected to continue throughout the year.

2. Vessels of Soviet Bloc flag

A total of 43 Soviet-Bloc ships of 231,598 GRT arrived in China during the first quarter of 1954, as compared to 26 Soviet-Bloc ships of 147,000 GRT during the same period of 1953.

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- 11 -

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C. Services to the Bloc by non-Bloc Countries

(1) By acquiring new and second hand ships from non-Bloc countries, by placing Bloc ships for repair in non-Bloc yards and by chartering ships from non-Bloc countries the Soviet Bloc has offset the limitations of its transport system enabling part of its combined shipping tonnage to be employed for carrying goods to and from China.

The Soviet Bloc merchant fleet, consisting of only 801 merchant vessels (over 1,000 grt) totalling about 2,611,000 grt, is inadequate for Soviet needs. Still included in this total are 83 U.S. owned Lend-Lease vessels totalling 518,000 gross tons to which the U.S.S.R. has no legal title or right whatsoever, but which they steadfastly refuse to return. The adequacy of the Soviet merchant fleet should be viewed in the light of the large number of ships that are over age, (about 56 percent of their ships are over 30 years old) and that some 20% are undergoing or awaiting repairs.

(2) During 1953, 16 ships totalling 39,167 grt were delivered to the Soviet Bloc from non-Soviet yards and one second-hand ship, the ex-Finnish tanker NESTE, was sold to the Bloc. Of the 16 ships constructed for the Bloc 7 built in non-COCOM countries were tankers (as defined under International List I for embargo to the Bloc)

The significance of this construction can be judged in relation to construction within the Soviet Bloc where, apart from three tankers constructed in the U.S.S.R. and about seventeen vessels constructed in other Soviet Bloc yards (some on U.S.S.R. account), all major construction facilities are devoted to naval construction. (See Table 13, I and II).

(3) Repairs to Soviet Bloc vessels in non-Bloc yards frequently entail major repairs or overhauls which take a long time and which could not be undertaken in the Soviet Bloc without diverting materials, facilities and personnel from naval construction. During 1953, 46 Bloc ships totalling 204,633 grt were repaired in non-Bloc Yards as compared with 49 ships totalling 246,000 grt in 1952 (See Table 13). It is notable that in 1953 Japan entered the list of countries repairing Bloc ships.

(4) The Soviet Bloc is believed to have chartered 509 vessels totalling 2,325,000 grt for various periods during 1953. The principal flags chartered to the Bloc were British, Norwegian and Italian. A detailed breakdown is given in Table 12. Comparatively few of these ships made voyages to China.

D. Scheduled voyages of non-Bloc ships

During 1953 a total of 57 individual ships totalling 453,689 grt (about 228,000 tons cargo-carrying capacity) made advertised scheduled voyages to Communist China. These ships offered to Communist China a share of their total cargo space. Sailings under the British flag accounted for 59% of such voyages. (See Table 11).

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Approved For Release 2004/07/09 : CIA-RDP85S00362R000300130001-3

- 9 -

<u>Period</u>	<u>Number of Arrivals</u>	<u>Cargo-Carrying Capacity in Thousands of Tons</u>	<u>Percent of Arrivals of Non-Bloc Flag</u>
Jan-June 1951	316	2,023	91
July-Dec 1951	<u>188</u>	<u>1,218</u>	<u>83</u>
Total	504	3,241	88
	<u> </u>	<u> </u>	<u> </u>
Jan-June 1952	244	1,626	78
July-Dec 1952	<u>288</u>	<u>1,901</u>	<u>83</u>
Total	532	3,527	80
	<u> </u>	<u> </u>	<u> </u>
Jan-June 1953	397	2,905	82
July-Dec 1953	<u>429</u>	<u>3,001</u>	<u>80</u>
Total	826	5,906	81
	<u> </u>	<u> </u>	<u> </u>

2. Non-Bloc Arrivals

The cargo-carrying capacity of the non-Bloc ocean-going shipping arriving in China in 1953 has been calculated as 4,788,000 tons (Tab A-2). Sixty per cent of the 698 non-Bloc ships arriving were of British flag, a drop from 65 per cent the previous year. Japanese registered ships, appearing for the first time, accounted for 11 per cent of non-Bloc arrivals. Norwegian, Danish and Finnish registered ships were the principal other flags involved (Tab A-3).

With the exception of 45 vessels with a cargo capacity of 380,000 tons all of these vessels arrived from non-Bloc ports (Tab A-4). Although the per cent of voyages originating in Bloc ports increased from 4 per cent to 6 per cent as compared with 1952, this did not reflect any significant increase in the percent of carrying capacity originating from Bloc ports.

It is known that, in addition to the arrivals of vessels above 1,000 GRT, a number of small craft, including junks and launches, arrived in Communist China from Hong Kong. Also, river steamers, junks and launches plied between Hong Kong and Macao. The cargo-carrying capacity of these small craft is believed to total slightly over a million tons. (Tab. A-6).

In addition to small vessels arriving in Communist China from Hong Kong, a number of small craft may have made voyages to Communist China from Japan, Okinawa and Formosa. The total carrying capacity of these craft is unknown but is believed to be small in relation to that of small craft from Hong Kong.

In addition to ships carrying goods directly to Communist China, non-Bloc vessels are known to have carried cargo to ports other than Communist China for eventual transshipment to that country. No estimate of the capacity of the shipping engaged in this traffic has been made, but any known transshipped cargo has been taken into account in assessing the total amount of China's imports.

3. Soviet Bloc Arrivals

The cargo-carrying capacity of Soviet Bloc shipping arriving in Communist China in 1953 has been calculated at 1,118,000 tons. Of the ships arriving 77 were of Soviet flag and 51 of Polish flag (Tab A-7). Apart from 6 voyages originating in Ceylon, all Soviet Bloc vessels sailed initially from Bloc ports (Tab A-8).

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- 10 -

IV. Shipping and Shipping Services

A. Introduction

The Communist Chinese merchant fleet is not suitable for voyaging overseas; Communist Chinese ships are employed exclusively on voyages between one Communist Chinese port and another, or on Communist Chinese rivers. Thus, Communist China relies entirely on other nations shipping for carrying her overseas trade.

Communist China's shipping needs are met in part by ships registered in other Soviet Bloc countries and in part by ships of non-Communist flag. As shown in Table 10 a far larger number of non-Bloc ships are involved in trading with Communist China, than Soviet Bloc ships.

The size and composition of the Soviet Bloc merchant fleet is given in table 14. It will be seen that apart from Russia and Poland the contribution of the European Soviet Bloc countries to the overall Bloc shipping pool is negligible. The U.S.S.R. has insufficient ships for other than her own domestic trade and apart from voyages between Dairen and the Soviet Far East her ships seldom call at Communist Chinese ports except on passage between Europe and the Far East.

Polish ships, however, are regularly employed on voyages between Europe and Communist China. Although these ships fly the Polish flag many of them are manned by Chinese crews and Communist China probably has some direct part in the management of, and some financial interest in, these ships.

B. Involvement of non-Bloc vessels

The term "involvement" as used in this report is arrived at by counting the number of ships enroute, to or from, or in Communist Chinese ports in a given month. The monthly totals given in Table 10 compared with similar data for 1952 show that in any month in 1953 the number of ships involved, whether Soviet Bloc or non bloc registry, was higher than the peak month of December in 1952. The number of non-Bloc ships involved varied in 1953 between 95 in January and 130 in May as compared with a 1952 range between 48 in January and 86 in December.

British ships made up about half the non-Bloc ships involved. A notable change in 1953 compared with 1952 is the appearance of Japan in the listing for the first time, constituting the second largest grouping; while as a result of decree number 631, which prohibited Panamanian vessels calling at Communist Chinese ports, Panamanian ships virtually disappeared from the list. The exceptions were three Panamanian vessels which defected to the Communists in 1953 and two Panamanian vessels which loaded cargoes in Communist China early in 1954 in violation of the decree. Finnish, Greek, Swedish, Danish, French and Norwegian, in order of number of voyages, were the principal other countries' flags involved in trade with Communist China.

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- 7 -

Although the value of these unrecorded imports cannot be estimated with precision, available evidence suggests that they amounted to approximately \$100 million in 1953, or more than one-third of the value of the recorded imports. The bulk of these imports probably consisted of Western European commodities transshipped to Communist China via Bloc ports in Eastern Europe and via Macao. The major commodities involved included iron and steel, non-ferrous metals, general industrial equipment, instruments and spare parts, and chemicals.

2. Exports

Communist China's exports outside the Soviet Bloc, as recorded for 1953 by the non-Communist countries concerned, are estimated at \$323 million as compared with \$270 million in 1952 (See Table 6).

Analysis of available cargo information indicates that the volume of these exports was about 1,300,000 tons, made up largely of foodstuffs, other agricultural products and coal (See Tables 7 and 8).

Exports to Western Europe in 1953 amounted to approximately \$110 million and consisted mainly of vegetable oils and oil seeds, egg products, and cereals. Western Germany (\$35 million) and the U.K. (\$30 million) were the major markets in this area.

Of the remainder, approximately \$115 million were exported to Hong Kong, Malaya, and Macao, consisting largely of foodstuffs and native products for the resident Chinese population in these areas. Exports to Ceylon (\$40 million) consisted largely of rice, exchanged for rubber under an inter-governmental barter agreement.

B. Trade with the Bloc

There is no reliable information available on the volume of Communist China's imports from other countries of the Communist Bloc. Published claims of Chinese Communist officials on this subject for the most part consist of percentage data, which often are ambiguously phrased and sometimes are mutually inconsistent. These data probably exaggerate the volume of Communist China's total trade, and in particular the volume of its trade with the rest of the Communist Bloc.



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- 8 -

According to the most recent of these Chinese Communist claims, trade with other Communist countries represented 75 percent of Communist China's total trade, or three times its trade with non-Communist countries. It is probable, however, that a significant portion of the trade treated by the Chinese Communists as with the rest of the Bloc actually consisted of trade with Western countries in which Bloc countries merely acted as intermediaries or forwarding agents. To this extent at least the above claim overstates the Soviet Bloc's share in Communist China's total trade. If allowance is made for this type of exaggeration it may be assumed for present purposes that Communist China's total foreign trade (imports plus exports) in 1953 was approximately \$2 billion, of which about two-thirds represented trade with the rest of the Soviet Bloc.

Communist China's imports from the Soviet Bloc probably included a substantial portion of those types of strategically important industrial products and equipment which were denied to her as direct imports by the principal Western nations. They also (included) military equipment, arms, and ammunition.)

On the basis of the capacity of the shipping engaged in this trade, it may be roughly estimated that Communist China imported approximately 700,000 tons of cargo from Bloc ports in Eastern Europe, of which probably almost half consisted of goods of Western European origin. It is estimated that somewhat more than half of this 700,000 tons was carried in Bloc flag vessels and somewhat less than half in non-Bloc flag vessels.* During the latter half of the year, the cargo carried in COCOM flag vessels was virtually confined to non-strategic goods but ships of other non-Bloc countries (mainly Sweden and Finland) carried an increased proportion of strategic cargoes.

Communist China's overland imports from the Soviet Bloc probably were considerably larger in volume than its seaborne imports from Bloc ports.

III. Capacity of Shipping Arriving in Communist China

1. Introduction

During 1953, 826 ocean-going ships (128 of Soviet Bloc and 698 of non-Bloc registry) arrived in Communist China from outside ports. This represents an increase of 55 per cent in the total ships and of 39 per cent in the ships of non-Bloc registry as compared with arrivals in 1952. The cargo-carrying capacity of these vessels has been calculated as 5.9 million tons, a 67 per cent increase over the previous year. (See Table 8.)

A table showing year-by-year changes in the number of arrivals, in cargo-carrying capacity and in the percentage of arrivals which were of non-Bloc registry is set forth below.

* It total represented an increase by two-thirds over the corresponding figure for the preceding year.

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- 5 -

Hong Kong's recorded exports to Communist China (largely re-exports of Western European products) consisted principally of drugs, chemical fertilizers, dyes, other chemicals, machinery, watches, and instruments (See Table 4). From other Asian and Near Eastern areas, Communist China's principal imports consisted of crude rubber (all from Ceylon except two small shipments from Burma), raw cotton, jute, and wool (See Table 3).

In overall commodity terms, the most dramatic development during the year in Communist China's import trade with the non-Communist World was the sharp drop in raw cotton imports - from 43 per cent of the total value of all imports in 1952 to only 5 per cent in 1953. In general, imports of other major commodity categories rose sharply. Rubber imports of 68,000 tons represented 20 per cent of the total value of all imports in 1953 as compared with only 9 per cent in 1952. Finally, 1953 imports of iron and steel increased to 110,000 tons, and machinery and metalware to roughly 20,000 tons, as compared with negligible 1952 imports in these categories.

The shifts that have taken place in Communist China's recorded imports from non-Communist countries may be noted in the following rough estimates of the commodity composition of these imports since 1950.

(in millions of U.S. dollars)

Period	Cotton	Rubber	Drugs	Other Chemicals	Metals, ma- chinery & Equipment		Other	Total
					Equipment	Other		
1950	95	61	20	35	125	78	414	
1951	41	110	25	65	110	93	444	
1952	108	23	25	40	20	34	250	
1953	16	54	40	55	70	45	280	

b. Unrecorded Imports

Evasions of Cocom and other official controls most commonly take the form of false declarations of ultimate destination, thus facilitating the shipment of controlled goods to Communist China by circuitous routes. When controls are circumvented or evaded in this manner, the exports involved are not identified in the trade statistics of the country of origin as exports to Communist China.



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- 4 -

II. TRADE

A. Trade With Non-Bloc Countries

1. Imports

a. Recorded Imports

The value of Communist China's recorded imports from non-Communist countries in 1953 was \$ 280 million (See Table 1), as compared with \$ 250 million in 1952. In the first half of 1953 these imports continued the trend of expansion evidenced in 1952, reaching a level 23 per cent above that of the last half of 1952 and 47 per cent above that of the first half of 1952. These imports, however, declined sharply in the last half of 1953, to 70 per cent of the level of the first half of the year.

The volume of recorded imports from non-Communist countries in 1953 is estimated at 692,000 tons, as compared with 497,000 tons in 1952. (See Tables 3 and 5.)

During 1953 Communist China's direct imports recorded from the Western Hemisphere continued, as in 1952, to be negligible. Direct imports from Western Europe, however, increased four-fold, and accounted for 35 per cent of the total value of recorded imports from non-Communist countries in 1953, as compared with only 10 per cent in 1952. The proportion of imports from Ceylon also increased sharply from 10 per cent of the total in 1952 to 20 per cent in 1953, while the proportion of imports from Hong Kong remained at slightly over 30 per cent. Imports from Pakistan declined strikingly from nearly 40 per cent to only 2 per cent of the total (reflecting a precipitous drop in total cotton imports). Recorded imports from other countries in the Near East, Asia, and Oceania increased in 1953 but nevertheless remained only a small proportion of total imports.

Imports from Western Europe and Hong Kong fell from \$ 125 million in the first half of 1953 to \$ 70 million in the second half, accounting entirely for the over-all decline in imports between the two periods. Imports from other areas remained constant over the year or increased slightly.

Communist China's heavily-increased direct imports from Western Europe, valued at approximately \$ 100 million in the published trade data, consisted principally of iron and steel, other metals, machinery and equipment (including watches and instruments), chemical fertilizers, industrial chemicals, pharmaceuticals, and wool (See Table 3). In addition, a large volume of commodities of Western European origin (consisting principally of iron and steel with smaller amounts of other metals, of machinery and equipment, and of chemicals) reached Communist China by transhipment via Bloc ports in Eastern Europe or via Macao, but do not appear to have been recorded in Western European trade statistics as having been exported to Communist China.
(See following section on "Unrecorded Imports.")

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I. SUMMARY OF MAJOR DEVELOPMENTS DURING 1953 AND THE FIRST QUARTER OF 1954

A. Trade with Non-Communist Countries

Communist China's total imports from non-Communist countries in 1953 are estimated at \$380 million. Of this total, \$280 million (compared with \$250 million in 1952) were recorded as exports to Communist China in the published statistics of the exporting countries, as follows:

<u>Exporting Area</u>	<u>\$ millions</u>	
	<u>1953</u>	<u>1952</u>
Western Europe	100	23
Ceylon	55	23
Hong Kong	95	86
All other areas	30	118
	---	---
	280	250
	---	---

Western Europe's recorded exports to China consisted mainly of iron and steel, machinery and instruments, chemicals and wool. The major exporting countries - Western Germany, the U.K., France and Switzerland - accounted for most of the fourfold increase in imports from this area. Imports of rubber from Ceylon increased from 23,000 to 65,000 tons; and imports from Pakistan (mainly cotton) dropped from \$95 million in 1952 to only \$4 million in 1953. Imports from Hong Kong remained relatively unchanged. The level of recorded imports declined sharply in the second half of the year. Most of these recorded imports were shipped direct to China from the areas of origin.

A further \$100 millions' worth of goods is estimated to have reached China, mainly from Western Europe, by devious routes, including:

(a) Commodities diverted to China by means of transhipment after leaving Western European countries of origin ostensibly



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[redacted]
- 2 -

for other destinations. Most of these goods were transhipped to China-bound vessels at Gdynia, but some went overland.

(b) Commodities Via Macao. This consisted of the bulk of the cargoes (mainly metals, machinery and equipment) carried from Western Europe to Macao (the declared end-destination) in Portuguese ships and then re-exported, together with a small quantity of goods from Hong Kong.

(c) Smuggling from Hong Kong and other Far Eastern areas in small craft and via overland routes.

B. Trade with the Soviet Bloc

Communist China's imports from other countries of the Soviet Bloc included a substantial portion of those types of strategically important industrial products and equipment which are denied to her as direct imports by the principal Western nations. They also include military equipment, arms, and ammunition.

There is no reliable information available on the value of Communist Chinese trade with the rest of the Communist Bloc and hence on the value of its total trade. Chinese Communist official claims on this subject are believed to be exaggerations, particularly since some part of the trade treated by the Chinese Communists as with other countries of the Communist Bloc actually consisted of trade with Western countries where Bloc countries appear to have acted merely as intermediaries or forwarding agents. If allowance is made for such exaggerations, these official claims indicate that Communist China's total trade in 1953 was approximately \$2 billion. Of this total about two-thirds probably represented trade with other countries in the Communist Bloc.

C. Shipping

The upward trend in the number of vessels arriving in Communist China during 1952 was continued in 1953 and in the first quarter of 1954. During 1953, 826 vessels totalling 3,937,000 gross registered tons arrived in Communist China, as compared with 532 arrivals totalling 2,357,000 gross registered tons in 1952. The total number of ships involved in trade with China increased by 39 % over 1952.

Contributing to this increase were 411 arrivals of British ships compared with 280 in 1952, 128 Soviet Bloc arrivals compared with 103 in 1952, 28 Finnish compared with 5 in 1952, and 77 Japanese arrivals totalling 465,000 gross registered tons - participating in this trade for the first time since controls against Communist China were imposed in 1950.

On the other hand Greek vessels ceased to participate in trade with China after May 1953. This resulted from Greek legislation, effective on

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TAB 0-5

VOLUME OF SOVIET BLOC SHIPPING INVOLVED IN COMMUNIST CHINESE SEABORNE TRADE BY MONTHS, 1953 a/

Number	TOTAL		SOVIET c/		POLISH d/	
	GRT (thou- sands of tons)	Cargo b/ Capacity (thousands of tons)	Number	GRT (thou- sands of tons)	Cargo b/ Capacity (thousands of tons)	Number
January	43	249	375	25	135	203
February	48	284	427	31	179	269
March	36	196	294	17	81	121
April	39	231	347	18	105	157
May	35	210	316	15	133	21
June	34	200	299	14	88	111
July	27	152	229	8	35	74
August	28	159	236	11	54	19
September	35	204	305	14	55	83
October	36	210	315	13	74	110
November	38	219	328	16	72	107
December	53	316	476	30	89	133
				174	264	23
						142
						212

a. Exclude vessels under 1,000 gross registered tons.

b. Cargo-carrying capacities have been calculated by multiplying gross tonnages by 1.5.

c. 82 different Russian ships (74 cargo vessels, 8 tankers) of 445, 987 GRT with a cargo carrying capacity of approximately 669,000 tons were involved in trading with Communist China during 1953. About one-third of these ships arrived from the Far East, some for repair.

d. 28 different Polish ships (25 cargo vessels, 3 tankers) of 172,591 GRT with a cargo carrying capacity of approximately 259,000 tons were involved in trading with Communist China during 1953.

TAB C-6

NON-BLOC FLAG VESSELS IN CHINESE COMMUNIST COASTAL TRADE
1953

VESSEL	FLAG	GRT	REMARKS
1. ADMIRAL HARDY	Br	1929	Traded North and Central Chinese ports in March. Engaged in general coastal traffic during August, November.
2. BELAPUR	Br	7939	Traded North China ports in February and March. Engaged in general coastal traffic during June. Engaged in general coastal trade in August, September and October.
3. HELIKOW	Br	2036	General coastal trade in October, November, December.
4. INCHARRAN	Br	3539	Departed Hongkong 28/12 for Swatow and Tsingtao; operated coastwise throughout January. Traded Central and North China ports in March and April. Engaged in general coastal traffic during June. Operated coastwise in August, September and November.
5. INCHISLAY	Br	1791	Traded Central and North China ports during May. Coastal trade in August.
6. INCHKIIDA	Br	1908	Coastal trade in August.
7. INCHULVA	Br	1935	Engaged in coastal trade during November.
8. LANTAO	Br	4312	Coastal trade in August, November and December.
9. NORTHERN GLOW	Br(CC)	5135	Traded North China ports in January, February and March. Engaged in general coastal traffic throughout the remaining part of the year
10. SAN EDUARDO	Br	2994	Engaged in coastal trade in September, October, November and December
11. SUNNANERIS	Sw	4504	Traded Dairen-Swatow during January. Traded Dairen-Taku Bar-Swatow in February.
12. TAICHUNGSHAN	Br	2171	General coastal trade in October and December.

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TAB. C-7

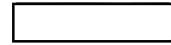
COMMUNIST OWNED MERCHANT VESSELS WHOSE PANAMANIAN REGISTRIES ARE KNOWN TO HAVE BEEN
CANCELLED IN ACCORDANCE WITH THE PANAMANIAN GOVERNMENT'S DECREE NUMBER 631

<u>VESSEL</u>	<u>GROSS TONS</u>	<u>MANAGER/Operator</u>
AGUADULCE	1544	Hai Ying Steamship Co., Ltd., Hong Kong (last known owners)
CANIS	2117	Wallem & Co., Ltd., Hong Kong
EL GRANDE	6175	Great China Steamship & Industrial Co., Ltd., Shanghai, China
EVANTHIA	6419	Believed to be Union Maritime & Shipping Co., Ltd., England (Registered Owner - Pierre Aiychides, Panama/France)
FAIRSIDE	3350	Wheelock Marden & Co., Ltd., Hong Kong
KAIKORAI	3151	Grande Shipping Corp., S.A., Panama and Hong Kong
LA CARMELA	1789	Ming Sung Industrial Co., (Hong Kong), Ltd.
MARION	3310	Wallen & Co., Ltd., Hong Kong
MIRAMAR	4764	Wheelock Marden & Co., Ltd., Hong Kong
NAVIDAD	6181	Wallem & Co., Ltd., Hong Kong
NIDAR	4321	Wallem & Co., Ltd., Hong Kong
MORELG	6103	Wallem & Co., Ltd., Hong Kong
NORINA	3451	Wheelock Marden & Co., Ltd., Hong Kong
ORBITAL	1555	Far East Enterprising Co., Ltd., Hong Kong
ROMANTICO	1221	Wheelock Marden & Co., Ltd., Hong Kong
ROSTRO	5330	Wallem & Co., Ltd., Hong Kong

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TAB. C-7 (Cont'd)

<u>VESSEL</u>	<u>GROSS TONS</u>	<u>MANAGER/Operator</u>
SAGEN	3944	Wallem & Co., Ltd., Hong Kong
STARSIDE	3351	Grande Shipping Corporation, S.A., Panama and Hong Kong
STORBAY	4191	Wallem & Co., Ltd., Hong Kong
WESTBAY	3402	Wheelock Marden & Co., Ltd., Hong Kong
WALTER	1836	Wallem & Co., Ltd., Hong Kong
WILLA	2669	Wheelock Marden & Co., Ltd., Hong Kong

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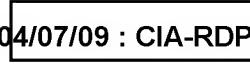
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9 September 1953

INTELLIGENCE ADVISORY COMMITTEE

POSTPONEMENT OF REVISION OF EIC-R-1

1. Attached for consideration of the IAC is the recommendation of the EIC respecting future revision of EIC-R-1, "Communist China's Imports and Exports: Controls, Trade and Shipping Involved."

2. It will be appreciated if the IAC members would telephone their concurrence or non-concurrence to this office, attention [redacted] by the close of business, 15 September 1953.

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JAMES Q. REBER
Acting Secretary

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9 September 1953
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9 September 1953

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INTELLIGENCE ADVISORY COMMITTEE

POSTPONEMENT OF REVISION OF EIC-R-1Problem:

1. To determine the timing for future revisions of EIC-R-1, "Communist China's Imports and Exports: Controls, Trade and Shipping Involved."

Discussion:

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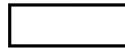
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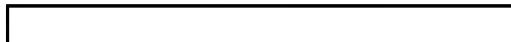
Recommendation:

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OTTO E. GUTHE
Chairman
Economic Intelligence Committee

IAC-D-42/4

9 September 1953

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IAC-D-42/3
22 June 1953

INTELLIGENCE ADVISORY COMMITTEE

"COMMUNIST CHINA'S IMPORTS AND EXPORTS, 1952:
CONTROLS, TRADE AND SHIPPING INVOLVED"

(EIC-R1-S2)

1. Members of the Intelligence Advisory Committee have reviewed the subject document circulated 8 June (IAC-D-42/2) and had no major reservations on any section of the study. None of the statistical data has been changed. Suggestions for clarification and editorial improvement were submitted.

2. The Economic Intelligence Committee representatives charged with reviewing these reservations met 18 June and agreed to a slightly revised draft incorporating the changes submitted.

3. It is proposed to print this study as an EIC document, noting that it has been reviewed by the IAC members and that no reservations have been noted. If there are any objections to the proposed printing, please inform the undersigned by June 26.


Secretary

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IAC-D-42/3
22 June 1953

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IAC-D-42/2
8 June 1953

INTELLIGENCE ADVISORY COMMITTEE

"COMMUNIST CHINA'S IMPORTS & EXPORTS, 1952:
CONTROLS, TRADE AND SHIPPING INVOLVED"

(EIC-R1-S2, 28 May 1953)

1. Subject paper has been prepared subsequent to discussions [redacted] 25X1
[redacted] which concluded 28 May 1953. It is proposed that
this paper be published as an EIC Report. Two copies are attached
for your information and use.

2. If you have any comments or reservations on this paper, it
is requested that you communicate these comments in writing to the
Secretary by 12 June.

[redacted]

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Secretary

N.B.: - One copy only attached hereto. Two copies sent to
each IAC member. Copies also sent to DCI, DDCI and
DD/I.

JUN 8 1953

IAC-D-42/2
8 June 1953

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IAC-D-42/1
14 April 1953

INTELLIGENCE ADVISORY COMMITTEE
SECOND REVISION OF THE EIC CHINA TRADE AND SHIPPING
STUDY (EIC-R1-82)

1. In accordance with instructions from the Intelligence Advisory Committee (IAC-M-73, 5 June 1952, Item 6), the Economic Intelligence Committee has prepared its second revision of the subject report covering the year 1952. (The first revision was approved by the IAC on 8 October 1952 -- IAC-M-83). The preliminary draft which is attached was prepared for use in discussions [redacted] beginning 20 April 1953. Following this conference, an agreed [redacted] report will be published.

2. All of the IAC representatives on the EIC have concurred in this report as an adequate basis for the forthcoming [redacted] discussions. There are a few small sections, clearly marked in the attached report, which are not completely concurred in by all agencies. This is particularly true of certain sections dealing with overland transportation. It is believed that all these disagreements will be resolved before the meeting [redacted]

3. The attached report is forwarded to you for your information. If you have any suggestions for improvement of this report it is requested that you have your EIC representative communicate these comments to the EIC Secretariat by 17 April. Final IAC approval of the report will not be requested until the conclusion of the [redacted] meetings.

[redacted]
Secretary

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14 April 1953

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IAC-D-42

13 February 1952

INTELLIGENCE ADVISORY COMMITTEE

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FACT FINDING MEETING ON THE STATUS AND
EFFECTIVENESS OF TRADE CONTROLS AGAINST COMMUNIST CHINA

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1. On 15 January the DCI, as chairman of the IAC, agreed [redacted] to coordinate a study of the facts relating to the status and effectiveness of the trade control measures currently applied against Communist China. This study was needed in order to provide the factual data required for a [redacted] meeting on this subject, scheduled for 25 February.

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2. Since the purpose of this meeting is to present the available facts on this subject, rather than to prepare an estimate, the coordinating responsibility was assigned to the Economic Intelligence Committee with the understanding that this responsibility involved both the preparation of the research study and arrangements for the [redacted] meeting. In discussing this project on 18 January the EIC found that only Navy, State, and CIA had anything to contribute, and the allocation of research assignments was confined to these agencies. The project is now in the final stages of preparation and will be completed by the end of this week.

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3. The foregoing is submitted to the IAC for its information. It is proposed that the IAC members concerned review the paper prepared for the conference and transmit their comments to the EIC through their representatives on that committee. Because of the detailed factual nature of this study and the nature of the fact finding [redacted] it is not considered necessary to submit the study to the IAC.

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JAMES Q. REBER
Secretary

S-E-C-R-E-T

IAC-D-42

13 February 1952

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Please insert the attached memo to your copy of IAC-D-38.

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IAC-D-37

29 October 1951

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PROPOSED REPORT ON ECONOMIC CAPABILITIES
FOR WAR OF THE USSR AND ITS SATELLITES

1. The attached memorandum from the Joint Intelligence Committee recommends the preparation of a basic document on the economic capabilities of the USSR and its Satellites to support a war.
2. It is recommended that this study be undertaken through the Economic Intelligence Committee.

JAMES Q. REBER
Secretary
Intelligence Advisory Committee

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29 October 1951

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29 October 1951

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JOINT INTELLIGENCE COMMITTEE

JICM-628-51
23 October 1951

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE ADVISORY COMMITTEE

Subject: Economic Capabilities for War of the USSR
and its Satellites

Reference: CIA Memorandum 181, 10 February 1950

1. The Joint Intelligence Committee considers it necessary to have in existence a basic document containing information on the economic capabilities of the USSR and its Satellites to support a war. It should show the over-all productive capacities and the estimated allocations of basic materials and industrial production to the civilian and military economies. It is felt that such fundamental information is so essential to the effective solution of current intelligence problems that an effort should be made to assemble these data as soon as practicable. It is hoped that such a document can be made a continuing study with periodic revisions.

2. Inasmuch as the character and scope of such an estimate is properly within the purview of the Intelligence Advisory Committee, it is requested that this Committee undertake the production of a document along the lines of the reference. It is proposed that this study should be made in three parts: the first part examining the problem on the assumption that war commences on 1 July 1952; the second part that war commences on 1 July 1954; and the third part considering the economy under peacetime ("cold war") conditions for the years 1952-53-54. The first part should be completed by 1 February 1952. It is suggested also that, in addition to covering the fields of steel, aluminum, petroleum and electric power, the scope of the new publication be broadened to include as many of the following areas as practicable: copper, rubber, other important non-ferrous metals, production of electronic equipment, shipbuilding capacities and transportation facilities of all types. Information as to nature and availability of stockpiles should also be indicated.

3. The Service intelligence agencies will be prepared to provide their individual estimates of peacetime and wartime military production

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29 October 1951

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29 October 1951

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requirements for integration in the final compilation of the document. In connection with the problems of assumptions and criteria, members of the Service intelligence agencies will coordinate informally among themselves and with other Intelligence Advisory Committee agencies. It is suggested that the Joint Intelligence Group (Red Team) act in a liaison capacity to assist in this project.

FOR THE JOINT INTELLIGENCE COMMITTEE:

[Redacted]
Secretary

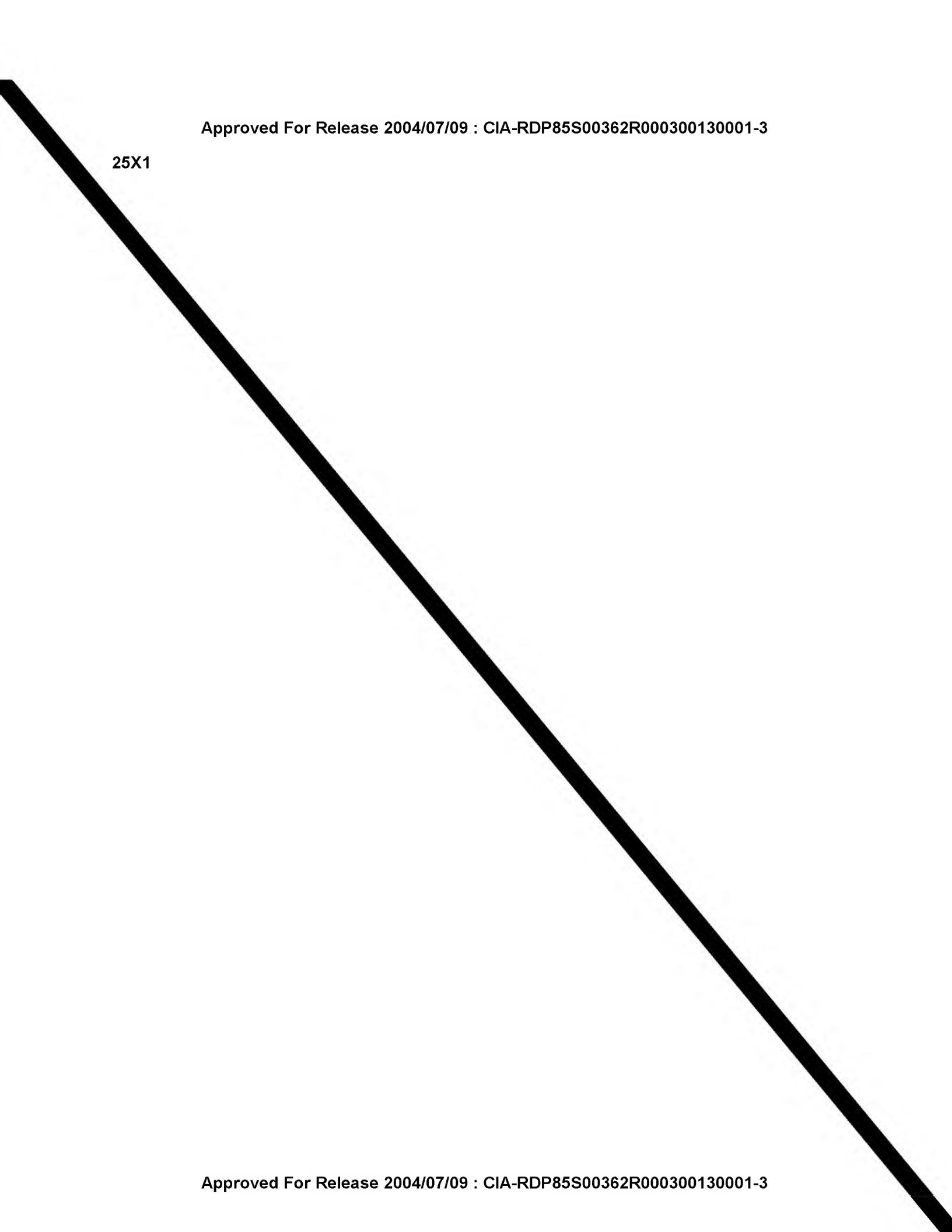
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IAC-D-36

25 September 1951

LIKELIHOOD OF THE USSR DELIBERATELY
INITIATING WAR DURING 1952

The attached proposal for an estimate on the above subject has been submitted by General Bolling for consideration of the IAC at its meeting on Thursday, 27 September 1951.

JAMES Q. REBER
Secretary
Intelligence Advisory Committee

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Class. Changed to: TS <u>(S)</u> C
Next Review Date:
Auth.: NR 70-3
Date: <u>9/9/91</u>

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25 September 1951

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IAC-D-36

25 September 1951

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G2-PRES

24 September 1951

MEMORANDUM FOR: CHAIRMAN, INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Likelihood of the U.S.S.R. Deliberately Initiating War
During 1952

1. The Intelligence Advisory Committee has variously estimated the likelihood of war, indicating that in the belief that the Soviet objective cannot be obtained without the involvement in a general war against the Western Powers, the Soviet rulers may decide deliberately to provoke such a war at a moment when, in their opinion, the strength of the Soviet Union vis-a-vis the Western Powers is at its maximum. It has been estimated that such a period exists now and will extend from the present through 1954, with its peak at about half-way, i.e., 1952.

2. We are approaching this critical period, and recent events unfavorable to the U.S.S.R. may confront its leaders with the necessity of reevaluating the Soviet position.

3. It is therefore requested that the IAC prepare an estimate of the "Likelihood of the U.S.S.R. Deliberately Initiating War During 1952." The scope of such an estimate should include, but not be limited to, the factors shown in the attached draft, "Proposed Terms of Reference," (Tab "A").

/s/ A. R. BOLLING

1 Incl

Proposed Terms of
Reference - Tab "A"

A. R. BOLLING
Major General, GSC
A. C. of S., G-2

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25 September 1951

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IAC-D-36

25 September 1951

TAB "A"

PROPOSED TERMS OF REFERENCE

The Problem:

1. To estimate the likelihood of the USSR deliberately initiating war during 1952.

Scope:

2. Soviet strategic, political and economic objectives.

3. Soviet courses of action to date to accomplish her strategic, political and economic objectives.

4. Soviet successes

- a. Political consolidation of European Satellites

- b. Conversion of Satellite industry to meet Soviet requirements

- c. Rearmament and increase of strength of Satellite armed forces

- d. Soviet industrial development

- e. Soviet technological advancement

- f. Other

5. Soviet failures

- a. Failure at CFM agenda conference at Paris, Spring of 1951

- b. Communist failure to drive UN forces from Korea

- c. Possible unsatisfactory developments at the Kaesong conference

- d. Failure at San Francisco conference

- e. Failure to halt Western rearmament including West German

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IAC-D-36

25 September 1951

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25 September 1951

- f. Failure to create dissention in NATO.
- g. Failure of VM to drive French from Indochina
- h. Continued Yugoslav intransigence
- i. Failure to block initial steps toward Japanese rearmament
- j. Behavior of delegates at the youth conference in Berlin, 1951
- k. Other

6. Factors which might cause Soviets deliberately to go to war:

- a. Increasing Western rearmament including West German
- b. Increase in U. S. atomic stockpile from one of "scarcity" to one of "plenty"
- c. Situation in Korea
- d. Japanese rearmament
- e. Progress towards U. S. industrial mobilization
- f. Chinese Communist military demands
- g. Inclusion of Greece, Turkey, in NATO
- h. U. S. - Spanish cooperation arrangement
- i. Military aid to Yugoslavia
- j. Other

7. Probable Soviet Courses of action:

- a. ---
- b. ---
- c. ---

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25 September 1951

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x. Most likely course of action in 1952

8. Conclusion:

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25 September 1951

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